

## 2.1 CORPORATE GOVERNANCE REPORT

AFR

Ladies and Gentlemen,

This report contains all of the information required by article L. 226-10-1 of the French Commercial Code (*Code de commerce*), including the information where appropriate adapted to French partnerships limited by shares, as set out in articles L. 225-37-3

to L. 225-37-5. It was prepared with the assistance of the Board Secretary and Group Legal Department, and was approved by the Supervisory Board on 8 March 2018.

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

#### 2.1.1.1 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 Commanditaires*), 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. They are selected from amongst the General Partners or third parties, and may not be shareholders.

Because of the 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 appointed only by the Limited Partners. If a General Partner is also a Limited Partner he cannot take part in the vote.

#### 2.1.1.2 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 2.1.2), 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 – (*Gérants*), 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 taken by shareholders in an Ordinary General Meeting (see section 2.1.2.6). 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.

These arrangements obviate the confusion, for which some French joint-stock corporations are criticised, between the role of the Chairman of the Board of Directors (*Président du Conseil d'Administration*) and the role of the Chief Executive Officer (*Directeur Général*), as well as encouraging the development of a long-term strategy.

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

#### 2.1.2.1 CORPORATE PURPOSE

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

- ▶ 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.

#### 2.1.2.2 MANAGING PARTNERS

1. The Company is managed by one or more Managing Partners (*Gérants*).

Following the death of Jean-Luc Lagardère on 14 March 2003, the Supervisory Board, at its meeting of 26 March 2003, approved Arjil Commanditée-Arco's proposal to appoint Arnaud Lagardère as Managing Partner for a six-year term.

The Company is managed by two Managing Partners: Arnaud Lagardère and the French joint-stock corporation (*société anonyme*) Arjil Commanditée-Arco.

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

The Supervisory Board approved the General Partners' proposals to renew Arnaud Lagardère's appointment as Managing Partner on 11 March 2009 and 11 March 2015 for successive six-year terms, with the latest term expiring on 25 March 2021.

Arjil Commanditée-Arco was appointed as a Managing Partner on 17 March 1998 and the Supervisory Board approved the General Partners' proposals to re-appoint it as Managing Partner 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.

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

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

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 his 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 years.

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), the Chairman of its Board of Directors and/or its Chief Operating Officer(s), it is deemed to have resigned as Managing Partner of the Company, with immediate effect. This is also the case in the event of the sale or subscription of shares which the Supervisory Board has not approved, as described in section 2.1.2.3.

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 section 2.1.2.3. A Managing Partner may also be dismissed for just cause, by decision of the courts.

### 2.1.2.3 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 15 members, selected exclusively among shareholders who are neither General nor Managing Partners.

In accordance with corporate governance best practice, the Annual General Meeting of 3 May 2018 will be asked to reduce the size of the Supervisory Board by two members, further to the departure of two of its members. If this resolution is adopted by the shareholders, the Supervisory Board will comprise a maximum of 13 members.

2. The members of the Supervisory Board 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.

#### 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 his absence, by one of the Deputy Chairmen, or by at least half of the Board members, or by each 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 15 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.

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 20 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 20 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 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 20 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.

### **2.1.2.4 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 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.

Arjil Commanditée-Arco's parent company financial statements for 2017 are as follows (in thousands of euros):

### Balance sheet

Assets	
Accounts receivable	25,972
Cash and cash equivalents	10
<b>Total</b>	<b>25,982</b>
Liabilities and shareholders' equity	
Shareholders' equity	25,785
Accounts payable	197
<b>Total</b>	<b>25,982</b>

### Income statement

Operating revenues	0
Operating expenses	31
<i>Operating loss</i>	(31)
Financial income	916
Financial expenses	0
<i>Net financial income</i>	916
<i>Net exceptional income</i>	0
Income tax benefit	295
<b>Profit for the year</b>	<b>590</b>

### 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)

- The decisions of the General Partner(s) may be made either at meetings, or by written consultation (ordinary letter, telex, telegram, fax, etc.).
- In the event of a written consultation, each General Partner has a period of 15 days to inform the Managing Partners of his or her 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.

#### 2.1.2.5 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.

#### 2.1.2.6 GENERAL MEETINGS OF SHAREHOLDERS

##### 2.1.2.6.1 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.

#### **2.1.2.6.2 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 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 2.1.2.3 – Powers of the Supervisory Board), resolutions may only be passed at an Ordinary General Meeting with the unanimous and prior consent of the General Partners. 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 2.1.2.3 – 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.

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

Extraordinary General Meetings may validly deliberate on:

- any amendments of 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 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.

#### **2.1.2.6.4 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 nominative 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 their 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 action* – 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-propriétaire*) at Extraordinary General Meetings.

### **2.1.2.7 REQUIREMENTS FOR A CHANGE IN CONTROL OF THE COMPANY**

As stated above at the beginning of section 2.1.1, an SCA has two categories of partner: General Partners and Limited Partners.

Any change in control of the Company implies a change in the composition of both categories of partner. 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.

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 view of these measures, no change in control of the Company could take place without the consent of the General Partners who manage the Company until the end of the period during which the Company is left without a Managing Partner.

### **2.1.2.8 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, 1% or more of the voting rights, must, within five days following registration to his account of the shares that brought his holding to or above such threshold, disclose to the Company the total number of shares and voting rights he 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 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.

In accordance with the applicable legal regulations, particularly article L. 228-2 of the French Commercial Code, the Company has the right to obtain at any time from the central securities depository in charge of the Company's share issue account the name, or corporate name in the case of a corporate shareholder, nationality, date of birth or formation, and address of holders of securities carrying immediate or deferred voting rights at its own General Meetings, together with the number of securities held by each of them and the restrictions, if any, that may apply to those securities.

## 2.1.3 SHARE CAPITAL

### 2.1.3.1 AMOUNT AND CHANGES IN THE SHARE CAPITAL

#### 2.1.3.1.1 AMOUNT

At 31 December 2017, 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.

#### 2.1.3.1.2 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
2012	Award of free shares to employees	21,155	129,045.50	-	800,042,090.10	131,154,441
	Capital reduction by cancelling shares	21,155	129,045.50		799,913,044.60	131,133,286
	Award of free shares to employees	1,500	9,150	-	799,922,194.60	131,134,786
	Capital reduction by cancelling shares	1,500	9,150		799,913,044.60	131,133,286
	Award of free shares to employees	384,550	2,345,755	-	802,258,799.60	131,517,836
	Capital reduction by cancelling shares	384,550	2,345,755		799,913,044.60	131,133,286
2013	Award of free shares to employees	59,547	363,236.70	-	800,276,281.30	131,192,833
	Capital reduction by cancelling shares	59,547	363,236.70		799,913,044.60	131,133,286
	Award of free shares to employees	20,000	122,000	-	800,035,044.60	131,153,286
	Capital reduction by cancelling shares	20,000	122,000		799,913,044.60	131,133,286
	Award of free shares to employees	109,925	670,542.50	-	800,583,587.10	131,243,211
	Capital reduction by cancelling shares	109,925	670,542.50		799,913,044.60	131,133,286
	Award of free shares to employees	398,950	2,433,595	-	802,346,639.60	131,532,236
	Capital reduction by cancelling shares	398,950	2,433,595		799,913,044.60	131,133,286
2014	Award of free shares to employees	93,209	568,574.90	-	800,481,619.50	131,226,495
	Capital reduction by cancelling shares	93,209	568,574.90		799,913,044.60	131,133,286
	Award of free shares to employees	488,519	2,979,965.90	-	802,893,010.50	131,621,805
	Capital reduction by cancelling shares	488,519	2,979,965.90		799,913,044.60	131,133,286
	Award of free shares to employees	154,024	939,546.40	-	800,852,591.00	131,287,310
	Capital reduction by cancelling shares	154,024	939,546.40		799,913,044.60	131,133,286
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

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

### 2.1.3.2 TREASURY SHARES

#### 2.1.3.2.1 AMOUNT

At 31 December 2017, the Company directly held 1,575,218 of its own shares (par value: €6.10), representing 1.20% of the total share capital at that date. The total cost of these shares was €44,941,967.82.

Based on the average weighted market price of Lagardère SCA's shares in December 2017 (€27.43 per share) a provision of €1,731,068.48 was recorded, reducing the total carrying amount of treasury shares directly held by the Company to €43,210,899.34.

#### 2.1.3.2.2 SHARE BUYBACK PROGRAMMES: SHARES ACQUIRED, SOLD, TRANSFERRED OR CANCELLED

##### A) Transactions carried out in 2017

Buyback transactions carried out by the Company in 2017 under the authorisations granted by the Annual General Meetings of 3 May 2016 and 4 May 2017 fulfilled two of the following five major objectives it had set: delivering shares to beneficiaries of share purchase option plans, awarding free shares, reducing the share capital, acquiring shares for the purpose of holding them to be subsequently tendered in exchange or payment for acquisitions, and promoting liquidity of the market for Lagardère SCA's shares through a liquidity agreement.

###### 1. Market liquidity transactions

The Company assigned €10 million to the liquidity agreement signed on 7 October 2008 and renewed yearly with Képler Cheuvreux. Under this agreement, in 2017 the Company:

- ▶ purchased 677,231 shares for a total price of €17,854,625.91 or an average per-share price of €26.36;
- ▶ sold 631,231 shares for a total price of €16,523,890.20 or an average per-share price of €26.18.

###### 2. Capital reduction

The Company cancelled 423,357 shares in 2017.

###### 3. Partial reallocation for other uses

The Company reallocated 423,357 shares from the "award to employees" objective to the "capital reduction" objective.

##### B) Position at 31 December 2017

At the end of 2017, the 1,575,218 shares directly held by the Company representing 1.20% of the share capital were allocated as follows:

- ▶ 1,510,218 shares allocated to the objective "award to employees", representing 1.15% of the share capital, for a total cost of €43,174,166.11;
- ▶ 65,000 shares allocated to the objective "promotion of market liquidity", representing 0.050% of the share capital, for a total cost of €1,767,801.71.

#### C) Transactions carried out under the authorisation granted by the Annual General Meeting of 4 May 2017

The Annual General Meeting of 4 May 2017 renewed the authorisation granted to the Managing Partners by the Annual General Meeting of 3 May 2016 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 corporate officers of the Company and of entities or groups related to it;
- ▶ 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, including by way of awarding the shares free of consideration as part of the Company's employer contribution and/or in replacement of the discount;
- ▶ 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 it for any other purpose permitted by the applicable law and regulations;
- ▶ to promote liquidity in the Company's shares under liquidity agreements that comply with a code of conduct recognised by the French financial markets authority (*Autorité des marchés financiers – AMF*) entered into with independent investment services providers;
- ▶ to hold the shares for subsequent exchange or payment as consideration for external growth transactions, a merger, demerger or asset contribution;
- ▶ to allocate shares upon the exercise of rights attached to securities that give access, by any means whatsoever, to the Company's share capital.

This authorisation was granted for an 18-month period starting on 4 May 2017.

The corresponding share buyback programme was described in a press release issued on 10 May 2017.

Under this authorisation, the Company carried out the following transactions from 10 May 2017 to 28 February 2018:

###### 1. Market liquidity transactions

The Company purchased 650,612 shares for a total price of €17,356,995.48 and sold 512,833 shares for a total price of €13,964,347.09 on the market, under the liquidity agreement referred to above.

###### 2. Capital reduction

The Company cancelled 172,365 shares.

###### 3. Partial reallocation for other uses

The Company reallocated 172,365 shares from the "award to employees" objective to the "capital reduction" objective.

The Annual General Meeting of 3 May 2018 will be asked to renew this authorisation.

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

#### **2.1.3.3.1 MARKETABLE SECURITIES**

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

#### **2.1.3.3.2 SHARE SUBSCRIPTION OPTIONS**

At 31 December 2017, 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.

#### **2.1.3.3.3 FREE SHARE AWARDS**

The shares due to be remitted to employees and senior executives of the Company and of other companies related to it between 2018 and 2021 as a result of free share awards made in 2014, 2015, 2016 and 2017 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 2,165,010 shares with a par value of €6.10 each, representing a maximum share capital dilution of 1.65% which will in principle be neutralised by cancelling an equivalent number of treasury shares, as has historically been the case.

#### **2.1.3.4 AUTHORISED, UNISSUED SHARE CAPITAL**

The Ordinary and Extraordinary General Meeting of 3 May 2016 authorised the Managing Partners, for a period of 38 months:

- ▶ to award existing or new shares free of consideration to Group employees and senior executives (other than the executive corporate officers of Lagardère SCA) within the 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 the 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 4 May 2017 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 the annual limit of 0.5% of the number of shares making up the share capital.

The Annual General Meeting of 4 May 2017 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 2017, only the authorisations relating to awards of free shares were used.

## Summary table of authorisations to increase the share capital given by shareholders to the Managing Partners

Description of authorisation		Delegations of authority									
Date of meeting	Ordinary and Extraordinary General Meeting of 4 May 2017								Ordinary and Extraordinary General Meeting of 3 May 2016		
Purpose of authorisation	Issue of all securities giving access to the share capital (shares, convertible bonds, bonds with share warrants, bonds redeemable for shares, etc.)			Issue of securities in consideration for securities tendered as part of a contribution in kind or a public exchange offer		Capitalisation of reserves, profits and/or premiums and creation of shares and/or increase of the par value of shares	Issue of free shares to employees (Group savings scheme)	Award of free shares			
Sub-limits authorised (nominal amount)	With pre-emptive subscription rights €265m (~33% of the share capital)	Without pre-emptive subscription rights but with priority rights €160m (~20% of the share capital)	Without pre-emptive subscription rights and without priority rights €80m (~10% of the share capital)	In the event of a public exchange offer €80m (~10% of the share capital)	In the event of a contribution in kind €80m (~10% of the share capital)	€300m (~37.5% of the share capital)	0.5% of the share capital per year (~€4m)	0.4% of the share capital per year (~€3.2m)	0.4% of the share capital per year (~€3.2m)	0.025% of the share capital per year and per ECO (~€0.2m)	
Maximum aggregate nominal amount authorised	€300 million (~37.5% of the share capital)		€80 million (~10% of the share capital)								
Used in 2017	None	None	None		None	None	(1)	(2)	(3)		
Term of authorisations	26 months						38 months				

(1) A free share award plan was established by the Managing Partners on 6 April 2017 covering 374,950 shares representing 0.286% of the share capital, with 428 beneficiaries.

(2) A performance share award plan was established by the Managing Partners on 6 April 2017 covering 378,710 shares representing 0.289% of the share capital, with 39 beneficiaries.

(3) A free performance share award plan was established by the Managing Partners on 6 April 2017 covering 64,000 shares representing 0.049% of the share capital, for the two executive corporate officers of Lagardère SCA.

### 2.1.3.5 PLEDGES OF COMPANY SHARES

#### 2.1.3.5.1 PLEDGES OF REGISTERED SHARES OF THE COMPANY AT 31 DECEMBER 2017

- ▶ Number of shareholders: 117
- ▶ Number of shares: 9,816,433 (7.48% of the share capital)

#### 2.1.3.5.2 PLEDGES OF COMPANY SHARES REGISTERED IN THE NAMES OF SHAREHOLDERS HOLDING MORE THAN 0.5% OF THE SHARE CAPITAL AT 31 DECEMBER 2017

Pledges concern 9,685,147 shares held by Lagardère Capital & Management (LC&M), representing 7.38% of the share capital.

### 2.1.3.6 STOCK MARKET INFORMATION

#### 2.1.3.6.1 GENERAL INFORMATION

- ▶ Number of shares making up the share capital at 31 December 2017: 131,133,286

- ▶ Number of shares listed on 31 December 2017: 131,133,286

- ▶ Listed on: Euronext Paris, Compartment A

#### 2.1.3.6.2 DIVIDENDS, SHARE PRICES AND TRADING VOLUMES

##### 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)
<b>2013</b>	127,882,640 128,515,724	1.30 9.00	None None	1.30 9.00 <sup>(1)</sup>	166.25 1,156.64
<b>2014</b>	127,563,424 127,563,424	1.30 6.00	None None	1.30 <sup>(2)</sup> 6.00 <sup>(3)</sup>	165.83 765.38
<b>2015</b>	128,294,419	1.30	None	1.30	166.78
<b>2016</b>	128,727,324	1.30	None	1.30	167.35
<b>2017</b>	129,438,203	1.30	None	1.30	168.27

(1) Extra portion of the 2013 dividend, paid as an interim dividend following the decision taken by the Managing Partners on 21 May 2013.

(2) Ordinary portion of 2013 dividend.

(3) Payment of an extra dividend, deducted from "Share premiums".

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)**

Year/Month	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 of euros)	Number of trading days
<b>2014</b>										
January	27.41	7 Jan.	25.01	27 Jan.	26.20	26.72	26.67	5,849,044	155.92	22
February	29.37	24 Feb.	25.37	4 Feb.	29.09	28.01	28.19	6,182,990	174.78	20
March	29.80	13 March	28.50	3 March	28.82	29.18	29.13	6,786,646	197.62	21
April	30.30	30 April	27.95	15 April	30.17	29.10	29.11	8,367,678	243.86	20
May	31.74	6 May	23.62	8 May	25.56	26.05	26.15	15,030,657	389.67	21
June	25.82	11 June	23.58	30 June	23.78	24.64	24.60	11,679,432	287.14	21
July	24.81	4 July	22.22	31 July	22.25	23.61	23.54	7,641,280	180.01	23
August	22.31	1 Aug.	20.23	8 Aug.	20.95	21.07	21.00	7,429,176	156.00	21
September	21.80	9 Sept.	20.29	24 Sept.	21.19	21.03	20.98	8,247,660	173.41	22
October	21.60	6 Oct.	17.83	16 Oct.	19.41	19.69	19.60	10,313,897	201.29	23
November	22.81	28 Nov.	18.85	5 Nov.	22.80	20.81	20.96	8,520,867	177.19	20
December	22.85	1 Dec.	20.84	16 Dec.	21.60	21.97	21.95	5,979,863	131.04	21
<b>2015</b>										
January	25.06	26 Jan.	21.01	6 Jan.	24.28	23.08	23.23	7,823,385	181.68	21
February	25.69	27 Feb.	23.35	9 Feb.	25.69	24.43	24.56	5,830,763	142.69	20
March	28.33	31 March	24.67	12 March	27.94	26.41	26.50	12,181,711	321.12	22
April	30.22	13 April	27.25	2 April	28.65	28.67	28.72	9,163,860	263.23	20
May	29.38	4 May	26.13	12 May	27.59	27.68	27.64	8,571,253	235.86	20
June	28.00	3 June	25.34	18 June	26.16	26.56	26.55	7,873,107	208.83	22
July	28.89	20 July	25.65	7 July	27.21	27.37	27.37	9,920,428	270.24	23
August	27.89	5 Aug.	22.45	24 Aug.	24.25	25.70	25.59	7,655,025	195.43	21
September	26.31	9 Sept.	23.61	1 Sept.	24.74	25.05	25.02	8,758,723	219.02	22
October	26.89	26 Oct.	24.24	2 Oct.	26.51	25.68	25.67	6,829,931	174.79	22
November	28.32	19 Nov.	26.21	5 Nov.	27.93	27.25	27.35	5,658,971	154.93	21
December	28.15	2 Dec.	25.70	14 Dec.	27.51	27.08	27.01	4,393,443	118.30	22
<b>2016</b>										
January	27.27	4 Jan.	23.40	20 Jan.	26.19	25.23	25.21	6,096,799	153.39	20
February	27.13	22 Feb.	23.86	11 Feb.	26.60	26.00	25.95	6,701,440	173.28	21
March	26.88	1 March	22.59	10 March	23.35	24.38	24.32	9,814,586	236.70	21
April	24.30	19 April	22.96	29 April	23.17	23.68	23.67	5,994,637	141.53	21
May	23.34	2 May	20.62	11 May	21.27	21.99	22.00	8,337,090	182.93	22
June	21.37	1 June	18.35	27 June	19.65	20.41	20.34	10,465,663	210.86	22
July	22.85	29 July	19.04	6 July	22.84	20.88	20.94	9,187,476	191.86	21
August	22.98	1 Aug.	21.85	29 Aug.	21.86	22.34	22.29	6,208,361	138.70	23
September	22.90	8 Sept.	21.69	2 Sept.	22.66	22.36	22.37	7,048,814	157.54	22
October	23.25	31 Oct.	21.78	13 Oct.	23.20	22.42	22.44	5,663,910	127.27	21
November	23.85	14 Nov.	22.09	9 Nov.	23.26	23.02	22.98	7,724,894	177.76	22
December	26.49	30 Dec.	22.68	2 Dec.	26.39	24.87	25.03	5,980,559	149.25	21
<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	21
August	27.91	1 Aug.	25.78	29 Aug.	26.99	27.20	27.18	5,837,292	158.41	23
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	01 Feb.	23.46	06 Feb.	24.20	24.52	24.49	7,702,237	188.13	20

### 2.1.3.7 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 Reference 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.

### 2.1.3.8 SHARE OWNERSHIP STRUCTURE – PRINCIPAL SHAREHOLDERS

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

Shareholders	At 31 December 2017				At 31 December 2016				At 31 December 2015			
	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	
Non-French investors <sup>(*)</sup>	90,084,603	68.7	61.62	61.08	89,553,317	68.29	61.46	60.76	90,470,143	68.99	63.54	
French institutional investors	19,278,001	14.7	16.84	16.69	19,071,631	14.54	16.75	16.56	16,724,722	12.76	13.9	
Lagardère Capital & Management <sup>(**)</sup>	9,694,807	7.39	11.08	10.98	10,026,836	7.65	11.90	11.76	10,438,225	7.96	12.3	
Private investors	6,897,139	5.25	7.29	7.21	6,889,544	5.26	6.76	6.68	7,322,140	5.58	7.12	
Employees and Group Savings Plan investment funds	3,620,695	2.76	3.17	3.14	3,646,845	2.78	3.13	3.10	3,854,491	2.94	3.14	
Treasury shares	1,558,041	1.2	-	0.9	1,945,113	1.48	-	1.14	2,323,565	1.77	-	
<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>	

(\*) Including Qatar Holding LLC (see section 2.1.3.8.5 - Principal shareholders).

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

Of the 2.76% of capital held by Group employees, 0.52% 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 2017, the share capital was held by 50,188 shareholders and intermediaries directly registered in the Company's register; intermediaries registered in the Company's

register on behalf of shareholders who are not tax residents in France constitute the majority of the non-French investors listed in the table above, holding 68.70% of the shares making up the share capital.

There has been no significant change in the breakdown of the Company's share capital or voting rights since 31 December 2017 (readers should however refer to shareholding threshold disclosures submitted by BlackRock, Inc. since 1 January 2018).

### 2.1.3.8.2 REGULATORY SHAREHOLDING THRESHOLD CROSSINGS

Date of AMF notice	Shareholder	Threshold crossed
31 January 2017	BlackRock, Inc.	Above 5% of share capital on 27 January 2017
31 January 2017	BlackRock, Inc.	Below 5% of share capital on 30 January 2017
1 February 2017	BlackRock, Inc.	Above 5% of share capital on 31 January 2017
2 February 2017	BlackRock, Inc.	Below 5% of share capital on 1 February 2017
3 February 2017	BlackRock, Inc.	Above 5% of share capital on 2 February 2017
16 February 2017	Schroders Investment Management Limited	Above 5% of share capital on 13 January 2017
3 May 2017	Qatar Holding LLC	Above 15% of voting rights on 28 April 2017
17 July 2017	Schroders Investment Management Limited	Below 5% of share capital on 11 July 2017
28 July 2017	Schroders Investment Management Limited	Above 5% of share capital on 25 July 2017
30 August 2017	Schroders Investment Management Limited	Below 5% of share capital on 28 August 2017
27 September 2017	Arnaud Lagardère	None
10 October 2017	DNCA Finance	Above 5% of share capital on 3 October 2017
18 January 2018	BlackRock, Inc.	Above 5% of voting rights on 17 January 2018
19 January 2018	BlackRock, Inc.	Below 5% of voting rights on 17 January 2018
23 January 2018	BlackRock, Inc.	Above 5% of voting rights on 19 January 2018
24 January 2018	BlackRock, Inc.	Below 5% of voting rights on 23 January 2018
8 February 2018	BlackRock, Inc.	Above 5% of voting rights on 7 February 2018
12 February 2018	BlackRock, Inc.	Below 5% of voting rights on 8 February 2018
12 February 2018	BlackRock, Inc.	Above 5% of voting rights on 9 February 2018
14 February 2018	BlackRock, Inc.	Below 5% of voting rights on 13 February 2018
27 February 2018	BlackRock, Inc.	Above 5% of voting rights on 26 February 2018
1 March 2018	BlackRock, Inc.	Below 5% of voting rights on 27 February 2018

### 2.1.3.8.3 ACTIONS IN CONCERT WITH OTHER GROUPS

None.

### 2.1.3.8.4 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 2.1.2.6.4) the total number of rights to vote at General Meetings at 31 December 2017 was 174,961,810.

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 2017 amounted to 176,519,851.

The total number of voting rights (gross and net) is published every month at the same time as the amount of the share capital.

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., 174,961,810 at 31 December 2017.

The percentage of voting rights held by Supervisory Board members was 0.0054% at 31 December 2017 (0.0057% of the share capital).

### 2.1.3.8.5 PRINCIPAL SHAREHOLDERS

Further to a reorganisation of the control exercised over Lagardère Capital & Management (LC&M), Arnaud Lagardère, personally and via his three companies, Lagardère SAS, LM Holding and LC&M, holds 7.39% of the share capital and 11.08% of the rights to vote at General Meetings as of 31 December 2017. In accordance with the Company's Articles of Association (see section 2.1.2.6.4), all shares which have been registered in the name of Arnaud Lagardère or the companies LC&M or Lagardère SAS for at least four years carry double voting rights. LC&M's share capital is held by its Chairman, Arnaud Lagardère, who is also a Managing Partner of Lagardère SCA together with Arjil Commanditée-Arco, a subsidiary of LC&M.

At 31 December 2017, based on the shareholdings indicated in the latest threshold declaration received by the Company prior to that date, Qatar Investment Authority (via its subsidiary Qatar Holding LLC) held 13.03% of the share capital and 19.54% of the rights to vote at General Meetings.

At 31 December 2017, based on the shareholdings indicated in the latest threshold declaration received by the Company prior to that date, DNCA held 5.001% of the share capital and 3.75% of the rights to vote at General Meetings, on behalf of its customers and the funds it manages solely or in concert with DNCA Finance Luxembourg.

At 31 December 2017, based on the shareholdings indicated in the latest threshold declaration received by the Company prior to that date, BlackRock, Inc. held 6.01% of the share capital and 4.50%

of the rights to vote at General Meetings, on behalf of its customers and the funds it manages.

To the best of the Company's knowledge, at 31 December 2017 no other shareholder held more than 5% of the share capital or voting rights, directly or indirectly, alone or in concert.

Between 18 January 2018 and 28 February 2018, BlackRock, Inc. submitted several declarations to the Company and to the French financial markets authority, stating that it had crossed above and below the 5% voting rights threshold. At 27 February 2018, based

on the shareholdings indicated in the latest threshold declaration on 28 February 2018, BlackRock, Inc. held 6.60% of the share capital and 4.96% of the rights to vote at General Meetings, on behalf of its customers and the funds it manages.

### **2.1.3.8.6 GROUP TO WHICH THE COMPANY BELONGS**

Lagardère SCA is the ultimate holding company of the Lagardère group. See the simplified Group organisation chart at 1 March 2018 in section 1.3.

## **2.1.4**

### **INFORMATION CONCERNING THE GENERAL PARTNERS AND MANAGING PARTNERS**

#### **2.1.4.1 GENERAL PARTNERS**

##### **Arnaud Lagardère**

4 rue de Presbourg – 75116 Paris, France

##### **Arjil Commanditée-Arco**

A French joint-stock corporation with share capital of €40,000

4 rue de Presbourg – 75116 Paris, France

#### **2.1.4.2 MANAGING PARTNERS**

At 31 December 2017, the Company was managed by two Managing Partners:

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

##### **2.1.4.2.1 ARNAUD LAGARDÈRE**

4 rue de Presbourg – 75116 Paris, France

Date of birth: 18 March 1961

Number of Lagardère SCA shares held directly and indirectly at 31 December 2017 (see section 2.1.3.8.1): 9,694,807

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 in 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, the latest expiring on 25 March 2021.

Arnaud Lagardère controls and is the Chairman of Lagardère SAS, LM Holding SAS and Lagardère Capital & Management SAS, through which he held a 7.39% stake in Lagardère SCA at 31 December 2017 (see section 2.1.3.8.1).

#### **A) Principal positions (at 31 December 2017)**

Managing Partner, Lagardère SCA

Chairman and Chief Executive Officer, Arjil Commanditée-Arco SA, and Managing Partner, Lagardère SCA

#### **B) Directorships and other positions held in the Group (at 31 December 2017)**

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

Chairman of the Executive Committee, Lagardère Sports and Entertainment SAS

Director, Lagardère Ressources SAS

Chairman, Lagardère Sports US Inc.

Chairman, Lagardère Sports US, LLC  
(formerly Sports Investment Company LLC)

Member of the Board of Directors, Lagardère Sports Asia Investments Ltd

Member of the Board of Directors, Lagardère Sports Asia Holdings Ltd

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)

General Manager, Lagardère News SARL

General Manager, Europe News SNC

Chairman, Europe 1 Télécompagnie SAS

Deputy Chairman, Lagardère Active Broadcast  
(a Monaco-based joint-stock corporation)

#### **C) Directorships and other positions held outside the Group (at 31 December 2017)**

Chairman, Lagardère SAS

Chairman, Lagardère Capital & Management SAS

Chairman, LM Holding SAS

**D) Directorships and other positions held during the last five years**

Member of the Board of Directors, European Aeronautic Defence and Space Company EADS NV (*until April 2013*)

Member of the Board of Directors, EADS Participations BV (*until April 2013*)

Chairman and Director, Sogeaide Gérance SAS (*until October 2013*)

Permanent representative, Lagardère Unlimited Inc.; Managing Member, Lagardère Unlimited LLC (*until September 2014*)

**2.1.4.2.2 ARJIL COMMANDITÉE-ARCO**

A French joint-stock corporation with share capital of €40,000

4 rue de Presbourg – 75116 Paris, France

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

Arjil Commanditée-Arco was appointed as a Managing Partner on 17 March 1998 and the Supervisory Board approved the General Partners' proposals to re-appoint it as Managing Partner 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 2017):**

**ARNAUD LAGARDÈRE (see above)**

**PIERRE LEROY**

4 rue de Presbourg – 75116 Paris, France

Date of birth: 8 October 1948

Number of Lagardère SCA shares held at 31 December 2017: 87,304

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.

**A) Principal positions (at 31 December 2017)**

Co-Managing Partner of Lagardère SCA

Secretary General of the Lagardère group

**B) Directorships and other positions held in the Group (at 31 December 2017)**

Director, Deputy Chairman and Chief Operating Officer, Lagardère Media 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 Board of Directors, Lagardère Ressources SAS

Director, Lagardère Active Broadcast  
(a Monaco-based joint-stock corporation)

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

Chairman, Holpa SAS

Director, Fondation Jean-Luc Lagardère

Chairman and Chief Executive Officer, Lagardère Paris Racing Ressources SASP

Member of the Board of Directors, Lagardère UK Ltd

**C) Directorships and other positions held outside the Group  
(at 31 December 2017)**

Director, Lagardère Capital & 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

**D) Directorships and other positions held during the last five years**

Chairman, Désirade SAS (*until April 2013*)  
 Director, Sogeaide Gérance SAS (*until April 2013*)  
 Manager, Financière de Pichat & Compagnie SCA (*until August 2014*)  
 Representative of Lagardère Participations, legal manager of Matpar 4 SCA (*until December 2014*)  
 Permanent representative of Lagardère Participations to the Board of Directors, Galice SA (*until January 2015*)  
 Manager, Team Lagardère SNC (*until January 2016*)  
 Liquidator, Financière de Pichat & Compagnie SCA (*until May 2016*)  
 Representative, Lagardère Participations, Chairman, Hélios SAS (*until January 2017*)  
 Director, Ecrinvest 4 SA (*until June 2017*)

**THIERRY FUNCK-BRENTANO**

4 rue de Presbourg – 75116 Paris, France  
 Date of birth: 2 May 1947  
 Number of Lagardère SCA shares held at 31 December 2017: 140,643  
 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.

**A) Principal positions (at 31 December 2017)**

Co-Managing Partner of Lagardère SCA  
 Chief Human Relations, Communications and Sustainable Development Officer, Lagardère group

**B) Directorships and other positions held in the Group  
(at 31 December 2017)**

Director and Chief Operating Officer, Lagardère Media SAS  
 Permanent representative of Lagardère Media SAS to the Board of Directors, Hachette Livre SA  
 Member of the Supervisory Board, Lagardère Active SAS  
 Member of the Supervisory Board, Lagardère Travel Retail SAS  
 Chairman and member of the Executive Committee, Lagardère Sports and Entertainment SAS  
 Director, Lagardère Ressources SAS  
 Director, Lagardère Active Broadcast (a Monaco-based joint-stock corporation)  
 Member of the Board of Directors, Lagardère Sports Asia Holdings Ltd  
 Member of the Board of Directors, Lagardère Sports Asia Investments Ltd  
 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

**C) Directorships and other positions held outside the Group  
(at 31 December 2017)**

Director, Lagardère Capital & Management SAS

**D) Directorships and other positions held during the last five years**

Chairman and Chief Executive Officer, Sopredis SA (*until January 2013*)  
 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*)

**2.1.4.3 REMUNERATION OF THE MANAGING PARTNERS AND OF THE EXECUTIVE COMMITTEE**

Since the remuneration of the Managing Partners and of the Executive Committee is not paid by Lagardère SCA or by a company controlled by or that controls Lagardère SCA, but by Lagardère Capital & Management, it is not included in this report. This information is however disclosed in section 2.2 of the Reference Document. In addition, articles L. 225-37-2 and L. 225-82-2, II of the French Commercial Code introduced by act no. 2016-1691 of 9 December 2016 (*Loi Sapin 2*) concerning the approval by the General Meeting of the remuneration policy for executive corporate officers, are not applicable to French partnerships limited by shares.

## 2.1.5 THE SUPERVISORY BOARD

### A) MEMBERS

In accordance with the Company's Articles of Association, the Supervisory Board is composed of a maximum of 15 members. 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 2017, the Board comprised 14 members.

#### List of members of the Supervisory Board during 2017

		Date of first appointment or re-appointment	End of current term of office
Chairman of the Board Chairman of the Audit Committee	<b>Xavier de Sarrau</b> Independent member of the Board <sup>(1)</sup>	6 May 2014	2018 OGM <sup>(*)</sup>
Member of the Board Member of the Audit Committee	<b>Nathalie Andrieux</b> Independent member of the Board <sup>(1)</sup>	3 May 2016	2020 OGM <sup>(*)</sup>
Member of the Board	<b>Martine Chêne</b> Independent member of the Board <sup>(1)</sup>	4 May 2017	2020 OGM <sup>(*)</sup>
Member of the Board Member of the Appointments, Remuneration and Governance Committee	<b>Georges Chodron de Courcel</b> Independent member of the Board <sup>(1)</sup>	3 May 2016	2019 OGM <sup>(*)</sup>
Member of the Board Member of the Audit Committee Chairman of the Appointments, Remuneration and Governance Committee	<b>François David</b> Independent member of the Board <sup>(1)</sup>	4 May 2017	2020 OGM <sup>(*)</sup>
Member of the Board	<b>Yves Guillermot</b> Independent member of the Board <sup>(1)</sup>	6 May 2014	2018 OGM <sup>(*)</sup>
Member of the Board Member of the Appointments, Remuneration and Governance Committee	<b>Pierre Lescure</b> Independent member of the Board <sup>(1)</sup>	3 May 2017	2019 OGM <sup>(*)</sup>
Member of the Board	<b>Jean-Claude Magendie</b> Independent member of the Board <sup>(1)</sup>	6 May 2014	2018 OGM <sup>(*)</sup>
Member of the Board Member of the Appointments, Remuneration and Governance Committee	<b>Soumia Belaïdi Malinbaum</b> Independent member of the Board <sup>(1)</sup>	4 May 2017	2021 OGM <sup>(*)</sup>
Member of the Board Member of the Appointments, Remuneration and Governance Committee	<b>Hélène Molinari</b> Independent member of the Board <sup>(1)</sup>	3 May 2016	2020 OGM <sup>(*)</sup>
Member of the Board	<b>Javier Monzón</b> Independent member of the Board <sup>(1)</sup>	4 May 2017	Resigned, 22 November 2017
Member of the Board	<b>François Roussely</b> Independent member of the Board <sup>(1)</sup>	3 May 2016	2019 OGM <sup>(*)</sup>
Member of the Board Member of the Audit Committee	<b>Aline Sylla-Walbaum</b> Independent member of the Board <sup>(1)</sup>	4 May 2017	2021 OGM <sup>(*)</sup>
Member of the Board	<b>Susan M. Tolson</b> Independent member of the Board <sup>(1)</sup>	5 May 2015	2019 OGM <sup>(*)</sup>
Member of the Board Member of the Audit Committee	<b>Patrick Valroff</b> Independent member of the Board <sup>(1)</sup>	6 May 2014	2018 OGM <sup>(*)</sup>
Secretary	<b>Laure Rivière-Doumenc</b>		

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

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

**XAVIER DE SARRAU**

4 rue de Presbourg – 75116 Paris, France

Date of birth: 11 December 1950

Nationality: Swiss

First appointed: 10 March 2010

Date of re-appointment: 6 May 2014

End of current term of office: 2018 OGM<sup>(1)</sup>

Number of Lagardère SCA shares held: 750

Chairman of the Supervisory Board of Lagardère SCA and of its Audit Committee.

Xavier de Sarrau is a graduate of the HEC business school and holds a doctorate in tax law. He is a lawyer registered with the Bars of Paris and Geneva and specialises in issues concerning the governance and organisational structure of family-owned companies and private holdings.

Xavier de Sarrau worked with the Arthur Andersen Group from 1978 to 2002, serving as Managing Partner for France, Managing Partner for EMEA, and Managing Partner for Worldwide Global Management Services, and was also a member of the firm's World Executive Committee.

After founding his own law firm outside France, in 2005 Xavier de Sarrau was one of the founders of the Paris law firm Sarrau Thomas Couderc. In 2008, he left Sarrau Thomas Couderc (which was subsequently renamed STC Partners) and since that date he has not held any interests in the firm.

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

Member of the Supervisory Board, JC Decaux<sup>(2)</sup>

Chairman of the Audit Committee and Ethics Committee, JC Decaux<sup>(2)</sup>

**Outside France:**

Chairman of the Board, Thala SA (Switzerland)

Director, Verry Capital (Kazakhstan)

Director, Gordon S. Blair (Monaco)

General and Managing Partner, SCS Sarrau et Cie (Monaco)

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

Director, Oredon Associates (United Kingdom)

Member of the Board, Dombes SA (Switzerland)

Director, IRR SA (Switzerland)

Member of the Board, FCI Holding SA

Member of the Supervisory Board, Bernardaud SA

Member of the Supervisory Board, Continental Motors Inns SA (Luxembourg)

**NATHALIE ANDRIEUX**

171 rue de l'Université – 75007 Paris, France

Date of birth: 27 July 1965

Nationality: French

First appointed: 3 May 2012

Date of re-appointment: 3 May 2016

End of current term of office: 2020 OGM<sup>(1)</sup>

Number of Lagardère SCA shares held: 600

Member of the Audit Committee of Lagardère SCA.

Nathalie Andrieux graduated from the École Supérieure d'Informatique (SUPINFO) in Paris in 1988. She began her career in banking with the Banques Populaires group, where she was involved in information systems development projects. In 1997, she joined the La Poste group as manager of the corporate information systems department. In late 2001, she became head of strategic marketing within the strategy division and, in 2003, was appointed head of La Poste's innovation and e-services department.

Based on her solid background in management, strategy, innovation and organisation, Nathalie became Chief Executive Officer of Mediapost in 2004 and led its European expansion starting in 2008.

Appointed Chair of Mediapost in 2009, Nathalie Andrieux was responsible for Mediapost's 2010-2013 strategic plan and expanded its media services offering with the creation of Mediapost Publicité and the acquisitions of Sogec (a leader in promotional marketing), Mediaprism (a communications and customer knowledge agency), Adverline (an internet media operator), and Cabestan (a leading company in digital marketing platforms and customer relationship management solutions).

She was appointed Chair of Mediapost Communication at the time of its creation in September 2011.

In addition to holding this position, in September 2012, she was appointed Executive Vice President in charge of expanding the digital services of the La Poste group.

On 18 January 2013, she became a member of the French Digital Council (*Conseil national du numérique*) and joined the Mines-Telecom Institute's Scientific Advisory Board (*Conseil Scientifique de l'Institut Mines Telecom*) in September 2013.

In April 2014, under the "La Poste 2020: Conquering the Future" strategic plan, Nathalie Andrieux became the head of the Group's new Digital Division.

In November 2014, she became a member of the Supervisory Board of XAnge Private Equity. She left the La Poste group in March 2015.

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

Chair of the Board of Directors, ENSCI – Les Ateliers

Member of the Board of Directors and Compensation Committee, Casino, Guichard-Perrachon<sup>(2)</sup>

Member of the Strategy Committee, Groupe Open<sup>(2)</sup>

Member of the Strategy Committee, Geolid

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

Member of the Scientific Advisory Board, Institut Mines-Telecom

Member of the French Digital Council

Member of the Investment Committee, XAnge Capital 2

Member of the Supervisory Board, XAnge Private Equity

Chair, Mediapost Holding

Member of the Steering Committee, Matching

Member of the Steering Committee, Media Prisme

Director, Maileva

Member of the Steering Committee, Mediapost

Member of the Steering Committee, Mediapost Publicité

Member of the Steering Committee, SMP

Member of the Steering Committee, Cabestan

Director, Mix Commerce

(1) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

(2) Listed company.

Member of the Strategic Committee, Idenum  
 Director, Docapost  
 Director, Mediapost SGPS (Portugal)  
 Director, Mediapost Spain  
 Member of the Supervisory Board, La Banque Postale  
 Member of the Strategic Committee, La Banque Postale  
 Director, Mediapost Hit Mail (Romania)  
 Member of the Steering Committee, Neopress  
 Chair, Mediapost  
 Chair, Mediapost Publicité  
 Chair, SMP  
 Chair, Financière Adverline  
 Chair, Adverline, permanent representative, Financière Adverline  
 Chair, Cabestan  
 Chair of the Board of Directors, Mix Commerce  
 Chair, Mediapost Multicanal  
 Committee member, Mediapost Multicanal  
 Chair and Chief Executive Officer, Mediapost  
 Chair of the Board of Directors, Mediapost  
 Chair of the Board of Directors, Adverline  
 Chair of the Board of Directors, Mediapost Hit Mail (Romania)  
 Chair of the Board of Directors, Mediapost SGPS (Portugal)  
 Chair of the Board of Directors, Mediapost Spain  
 Chair, Financière Soget Marketing, Permanent representative of SMP  
 Chair, MDP 1  
 Chair, Media Prisme  
 Chair, Matching

### MARTINE CHÈNE

64 rue du Parc - 34980 Saint-Gély-du-Fesc, France  
*Date of birth:* 12 May 1950  
*Nationality:* French  
 First appointed: 29 April 2008  
 Date of re-appointment: 4 May 2017  
 End of current term of office: 2020 OGM<sup>(1)</sup>  
 Number of Lagardère SCA shares held: 400  
 Martine Chêne joined the Lagardère group in 1984, and worked as an archivist at Hachette Filipacchi Associés (HFA) until March 2009.  
 She was the secretary of HFA's Works Committee, a CFDT union representative and an employee representative.  
 She represented the CFDT union on the Group Employees' Committee.

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

Martine Chêne exercises no positions in any other companies.

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

Martine Chêne has not held any other directorships or other positions in the last five years.

### GEORGES CHODRON DE COURCEL

7 bis rue de Monceau - 75008 Paris, France  
*Date of birth:* 20 May 1950  
*Nationality:* French  
 First appointed: 19 May 1998  
 Date of re-appointment: 3 May 2016  
 End of current term of office: 2019 OGM<sup>(1)</sup>  
 Number of Lagardère SCA shares held: 600  
 Member of the Appointments, Remuneration and Governance Committee of Lagardère SCA.

Georges Chodron de Courcel is an engineering graduate of the École Centrale de Paris. In 1972, he joined BNP where he held a number of management positions before becoming Chief Operating Officer in 1996. He was made Head of Corporate and Investment Banking at BNP Paribas from 1999 to 2003 and was Chief Operating Officer between June 2003 and June 2014.

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

##### In France:

Chairman of the Board of Directors, Nexans SA<sup>(2)</sup>  
 Director, FFP SA (Société Foncière, Financière et de Participations)<sup>(2)</sup>  
 Chairman, GCC Associés SAS

##### Outside France:

Director, Scor Holding Switzerland AG (Switzerland)  
 Director, Scor Global Life Rückversicherung Schweiz AG (Switzerland)  
 Director, Scor Switzerland AG (Switzerland)  
 Director, SGLRI (Scor Global Life Reinsurance Ireland)

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

Director, Erbé SA (Belgium)  
 Director, Bouygues SA  
 Director, GBL – Groupe Bruxelles Lambert (Belgium)  
 Director, Alstom SA  
 Director, Verner Investissements SAS  
 Board Advisor (*censeur*), Exane SA  
 Chairman, BNP Paribas SA (Switzerland)  
 Deputy Chairman, Fortis Bank SA/NV (Belgium)  
 Director, CNP (Compagnie Nationale à Portefeuille – Belgium)

### FRANÇOIS DAVID

6 rue Auguste-Bartholdi - 75015 Paris, France  
*Date of birth:* 5 December 1941  
*Nationality:* French  
 First appointed: 29 April 2008  
 Date of re-appointment: 4 May 2017  
 End of current term of office: 2020 OGM<sup>(1)</sup>  
 Number of Lagardère SCA shares held: 600  
 Member of the Audit Committee of Lagardère SCA.  
 Chairman of the Appointments, Remuneration and Governance Committee of Lagardère SCA.

(1) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

(2) Listed company.

François David is a graduate of the Institut d'Études Politiques de Paris and École Nationale d'Administration, and holds a degree in sociology. He began his career at the French Finance Ministry in 1969 as an administrative officer with a range of duties in the Foreign Trade Mission. In 1986, he was appointed Chief of Staff at the Foreign Trade Ministry. He became Head of Foreign Trade Relations at the French Ministry of Finance and Economics in 1987, and was the General Director of International Affairs at Aerospatiale from 1990 to 1994. François David was Chairman of the Board of Directors of Coface from 1994 to 2012, before becoming Senior Advisor to Moëts & Company.

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

##### **In France:**

Honorary Chairman, Coface group<sup>(1)</sup>  
Member of the Supervisory Board, Galatée Films  
Board advisor, SPIE Batignolles

##### **Directorships and other positions held during the last five years**

Member of the Board, Order of the Legion of Honour  
Director, Rexel  
Member of the Supervisory Board, Areva  
Member of the Board of Directors, Natixis Coficine  
Director, Vinci  
Chairman of the Board of Directors, Coface Services  
Chairman, OR Informatique  
Chairman of the Supervisory Board, Coface Kreditversicherung AG (Germany)  
Chairman of the Board of Directors, Coface Assicurazioni (Italy)

#### **YVES GUILLEMOT**

28 rue Armand-Carrel - 93100 Montreuil, France

Date of birth: 21 July 1960

Nationality: French

First appointed: 6 May 2014

End of current term of office: 2018 OGM<sup>(2)</sup>

Number of Lagardère SCA shares held: 600

Yves Guillemot is a graduate of the Institut de Petites et Moyennes Entreprises. He co-founded Ubisoft along with his four brothers in 1986, before becoming Chairman. Ubisoft expanded rapidly in France as well as on the main international markets. Yves Guillemot, now Chairman and Chief Executive Officer of the company, led Ubisoft to become one of the world's biggest video game publishers. Ubisoft employs 12,000 talented people across 30 countries, who create and sell video games published by Ubisoft and its partners across five continents.

In 2009, Yves Guillemot was named "Entrepreneur of the Year" by audit firm Ernst & Young. He also won the "Franco-Québécois Company Manager of the Year Award" in France in 2012, the "Personality Award" at the European Games Awards in Germany in 2011 and the "Grand Prix" at the MCV Awards in the United Kingdom in 2011.

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

##### **In France:**

Chairman and Chief Executive Officer and Director, Ubisoft Entertainment SA<sup>(1)</sup>  
Deputy Chief Executive Officer, Guillemot Corporation SA<sup>(1)</sup>  
Director, Rémy Cointreau SA, AMA SA<sup>(1)</sup>

##### **Outside France:**

Director and Deputy Chief Executive Officer, Guillemot Brothers SE (United Kingdom)

*Yves Guillemot also holds the following positions within the Ubisoft, Guillemot Corporation and Guillemot Brothers SE groups, both in France and abroad:*

##### **In France:**

Chairman of Ubisoft Annecy SAS, Ubisoft Emea SAS, Ubisoft France SAS, Ubisoft International SAS, Ubisoft Montpellier SAS, Ubisoft Motion Pictures Rabbids SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlent SAS, Ubisoft Création SAS, Ivory Tower SAS, Ubisoft Bordeaux SAS

Chief Executive Officer, Guillemot Brothers SAS

General Manager of Ubisoft Learning & Development SARL, Ubisoft Motion Pictures SARL, Script Movie SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL, Ivory Art & Design SARL

##### **Outside France:**

General Manager of Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Srl (Morocco)

Chairman and Director of Ubisoft Divertissements Inc. (Canada), Ubisoft Editions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd (India), Ubi Games SA (Switzerland), Red Storm Entertainment Inc. (United States), Script Movie Inc. (United States), Ubisoft CRC Ltd (United Kingdom), Ubisoft L.A. Inc. (United States)

Vice-Chairman and Director of Ubisoft Inc. (United States)

Chief Executive Officer and Director of Ubisoft Emirates FZ LLC (United Arab Emirates)

Director, Playwing Ltd (United Kingdom), AMA Corporation Ltd (United Kingdom)

Executive Director of Shanghai Ubi Computer Software Co. Ltd (China), Chengdu Ubi Computer Software Co. Ltd (China)

Director of Ubisoft Pty Ltd (Australia), Ubisoft SA (Spain), Ubi Studios SL (Spain), Ubisoft Barcelona Mobile SL (Spain), Ubisoft Ltd (Hong Kong), Ubisoft SpA (Italy), Ubisoft KK (Japan), Ubisoft Osaka KK (Japan), Ubisoft BV (Netherlands), Ubisoft Srl (Romania), Ubisoft Ltd (United Kingdom), Ubisoft Reflections Ltd (United Kingdom), Red Storm Entertainment Ltd (United Kingdom), Future Games of London Ltd (United Kingdom), Ubisoft Singapore Pte Ltd (Singapore), Ubisoft Entertainment Sweden A/B (Sweden), RedLynx Oy (Finland), Ubisoft Fastigheter AB (Sweden), Ubisoft DOO Beograd (Serbia), Guillemot Inc. (Canada), Guillemot Inc. (United States), Guillemot Ltd (United Kingdom)

(1) Listed company.

(2) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

**Yves Guillemot has also held the following positions within the Ubisoft, Gameloft, Guillemot Corporation and Guillemot Brothers groups, both in France and abroad, over the last five years:**

**In France:**

Chairman of Ubisoft Motion Pictures Far Cry SAS, Ubisoft Motion Pictures Ghost Recon SAS, Ubisoft Motion Pictures Assassin's Creed SAS, Ubisoft Motion Pictures Splinter Cell SAS, Ketchapp SAS, Krysalide SAS

Executive Vice-President and Director of Guillemot Brothers SE, Gameloft SE

Director of Guillemot Corporation SA

**Outside France:**

Chairman and Director of Technologies Quazal Inc. (Canada), Ubisoft Canada Inc. (Canada), L'Atelier Ubi Inc. (Canada), Ubisoft Musique Inc. (Canada), 9275-8309 Québec Inc. (Canada), Studio Ubisoft Saint-Antoine Inc. (Canada)

Chairman of Ubisoft LLC (United States)

General Manager of Spieleanwendungskombinat GmbH (Germany), Related Designs Software GmbH (Germany), Ubisoft Entertainment SARL (Luxembourg)

Director of Ubisoft Sweden AB (Sweden), Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)

**PIERRE LESCURE**

38 rue Guyneron – 75006 Paris, France

Date of birth: 2 July 1945

Nationality: French

First appointed: 22 March 2000

Date of re-appointment: 3 May 2016

End of current term of office: 2019 OGM<sup>(1)</sup>

Number of Lagardère SCA shares held: 150

Member of the Appointments, Remuneration and Governance Committee of Lagardère SCA.

After graduating from the Centre de Formation des Journalistes in Paris, Pierre Lescure started his career as a radio journalist. He then moved into television, where he held a number of different positions. In 1984, he participated in the launch of France's first private TV channel, Canal+, becoming Chief Executive Officer in 1986. In 1994 he was appointed Chairman and Chief Executive Officer of the Canal+ group and, in 2001, Chief Operating Officer of Vivendi Universal. He left Vivendi Universal and the Canal+ group in April 2002. In November of the same year he was elected to the Board of Directors of Thomson Multimedia before stepping down from the role in 2009. In June 2008, he was appointed director of the Théâtre Marigny where he served until July 2013.

In 2013, at the request of the French government, he led a study on digital content and cultural policy in the digital era. He submitted his report *Acte II de l'exception culturelle à l'ère du numérique* (Act II of the cultural exception in the digital era) in May 2013.

He has been President of the Cannes Film Festival since 1 July 2014.

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

**In France:**

Chairman, AnnaRose Productions SAS

Deputy Chairman, Molotov

President of the *Marché du Film* at the Cannes Film Festival

President of the *Fonds de dotation* at the Cannes Film Festival

**Outside France:**

Member of the Board of Directors, Kudelski<sup>(2)</sup> (Switzerland)

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

Director, Théâtre Marigny

Director, Havas

**JEAN-CLAUDE MAGENDIE**

19 rue Raynouard – 75016 Paris, France

Date of birth: 24 May 1945

Nationality: French

First appointed: 27 April 2010

Date of re-appointment: 6 May 2014

End of current term of office: 2018 OGM<sup>(1)</sup>

Number of Lagardère SCA shares held: 600

Jean-Claude Magendie is a former magistrate. He started out as an examining judge (1970-1975) before becoming deputy general secretary to the First President of the Paris Court of Cassation, referendary at the same court, President of the Chamber at Rouen Court of Appeal, then Versailles Court of Appeal, President of the Crétel magistrates' court then the Paris magistrates' court (*Tribunal de grande instance de Crétel/Paris*), and finally First President of the Paris Court of Appeal.

Jean-Claude Magendie has written a number of reports on civil law procedure and mediation, and was Secretary General for the study commission on Europe and the legal professions.

He was also a Member of the Commission for analysis on prevention of conflicts of interest in public life.

Within the scope of his role as Chairman of the Justice Commission of the French think tank Le Club des Juristes, he published a report on reform within the commercial courts which appeared in the law weekly *Édition générale de la Semaine Juridique* on 15 July 2013.

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

Chairman of the Ethics Committee, Vélia

President, European College for Conflict Resolution

Chairman, Association médiation entreprises

Arbitrator and mediator

Editor of the law section of the *Nouvel Économiste* newspaper

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

Consultant for the French Union of Manufacturers (Unifab)

Member of the Commission for analysis on prevention of conflicts of interest in public life

Member of the Board of Directors, Lextenso

(1) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

(2) Listed company.

**SOUMIA BELAIDI MALINBAUM**

17 rue des Acacias - 75017 Paris, France

Date of birth: 8 April 1962

Nationality: French

First appointed: 3 May 2013

Date of re-appointment: 4 May 2017

End of current term of office: 2021 OGM<sup>(1)</sup>

Number of Lagardère SCA shares held: 650

Member of the Appointments, Remuneration and Governance Committee of Lagardère SCA.

Soumia Belaïdi 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**

Director and member of the Remuneration and Appointments Committee, Nexity<sup>(2)</sup>

**Directorships and other positions held 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)

**HÉLÈNE MOLINARI**

19 bis rue des Poissonniers - 92200 Neuilly-sur-Seine, France

Date of birth: 1 March 1963

Nationality: French

First appointed: 3 May 2012

Date of re-appointment: 3 May 2016

End of current term of office: 2020 OGM<sup>(1)</sup>

Number of Lagardère SCA shares held: 600

Member of the Appointments, Remuneration and Governance Committee of Lagardère SCA.

Hélène Molinari is a graduate engineer. She began her career in 1985 as a consultant at Cap Gemini and in 1987 joined the Robeco group where she was responsible for developing institutional sales. In 1991, she joined the Axa group where she was involved in creating Axa Asset Managers, a leading asset management company. In 2000, she was appointed Head of Marketing and e-Business at Axa Investment Managers and in 2004 became a member of the Management Committee as Global Head of Brand and Communication.

In 2005, she joined Medef where she occupied a number of positions reporting to Laurence Parisot, notably as head of communications, membership and social activities. She also supervised a number of support functions including the Corporate Secretary's department,

and contributed to the drafting of the Afep-Medef Corporate Governance Code. In 2011, she was appointed Chief Operating Officer and member of the Executive Council of Medef.

In 2013, she joined Be-Bound as a Vice-President. Be-Bound is a digital startup that is based in France and in Silicon Valley, which allows users to stay connected to the Internet even with no data access.

In 2014, she became an executive corporate officer of AHM Conseil, a company specialising in the organisation of cultural events.

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

Member of the Strategy Committee, Be-Bound

Director and Chair of the Appointments Committee, Amundi<sup>(2)</sup>

Member of the Steering Committee, *Tout le monde chante contre le cancer* (cancer charity)

Member of the Steering Committee, *Prix de la femme d'influence*

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

Vice-President, Be-Bound

Member of the Board of Directors, NQT (Nos quartiers ont des talents)

Member of the Board of Directors, Celsa (Centre d'Études Littéraires et Scientifiques Appliquées)

Member of the Board of Directors, EPA (Entreprendre pour Apprendre)

Committee member, JDE (Les Journées de l'Entrepreneur)

Member of the Board of Directors, Axa IM Limited

**JAVIER MONZÓN**

Segre 16 – 28002 Madrid, Spain

Date of birth: 29 March 1956

Nationality: Spanish

First appointed: 29 April 2008

Date of re-appointment: 4 May 2017

Resignation date: 22 November 2017

Number of Lagardère SCA shares held: 150

Javier Monzón is an economist whose professional career has centred around finance and managing large corporations, including working for ten years at a major financial company in Spain. Having been a Partner at Arthur Andersen in Corporate Finance Consulting Services, he became Chief Financial Officer and subsequently Executive Vice Chairman of Telefónica, responsible for corporate development, while at the same time holding the position of Chairman of Telefónica International, gaining a wealth of practical experience in Latin America.

Between 1993 and 2015 he served as Chairman and Chief Executive Officer of Indra, Spain's largest IT company, with operations in more than 100 countries and more than 40 international subsidiaries. The company has a strong presence in Latin America, Europe, the Middle East, Asia and the United States.

He is currently Senior Advisor to Santander Group as well as an investor and advisor to US- and Europe-based tech companies.

In addition to his corporate management roles, Javier Monzón has also been deeply involved in assisting non-profit organisations that aim to promote education, innovation and entrepreneurship.

(1) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

(2) Listed company.

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

Member of the Board, Prisa (Spain)

Member of the Board, and Chairman of the Compensation Committee, Ferroglobe<sup>(1)</sup> (United Kingdom)

Member of the Board, Banco Santander<sup>(1)</sup>, and Senior Advisor to the Executive Chairman, Santander Group (Spain)

Member of the Board, ACS Servicios y Concesiones (Spain)

Member of the Advisory Council, Trident Cybersecurity and Member of the Board, 4IQ Inc. (United States)

Chairman of the Executive Committee, Knowledge and Development Foundation (Fundacion CyD) (Spain)

Member of the Board, Endeavor (Spain)

Member of the Brookings International Advisory Council (United States)

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

Chairman and Chief Executive Officer, Indra (Spain)

Member of the Board, ACS Group (Spain)

Vice-President of the Board, Carlos III University (Spain)

Member of the Advisory Board, Chemo Group (Spain)

**FRANÇOIS ROUSSELY**

73 rue de Miromesnil – 75008 Paris, France

Date of birth: 9 January 1945

Nationality: French

First appointed: 11 May 2004

Date of re-appointment: 3 May 2016

End of current term of office: 2019 OGM<sup>(2)</sup>

Number of Lagardère SCA shares held: 600

François Roussey is a graduate of the Institut d'études politiques de Paris, Paris University of Law and Economics, and École nationale d'administration. He is an honorary senior advisor to the French National Audit Office. He began his career in the French Ministry of Finance and the Economy and held several prominent positions for the French government, in the Ministry of the Interior and then the Ministry of Defence from 1981 to 1997. He was Chairman and Chief Executive Officer of EDF from 1998 to 2004, then Chief Executive Officer of Crédit Suisse France, before becoming Deputy Chairman of Crédit Suisse Europe from 2009 until 2015.

In October 2015, he joined the investment banking firm Messier Maris et Associés.

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

Honorary senior advisor, French National Audit Office (*Cour des Comptes*)

Honorary Chairman, EDF

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

Deputy Chairman, Crédit Suisse Europe

Deputy Chairman, Fondation du Collège de France

Chairman, Budé Committee (Collège de France)

Chairman and Chief Executive Officer, Crédit Suisse (France)

Chairman, Crédit Suisse Banque d'Investissement France

Member of the Board of Directors, Imagine Institute of Genetic Diseases

**ALINE SYLLA-WALBAUM**

Kingscliffe, Antrim road – London NW3 4XS, United Kingdom

Date of birth: 12 June 1972

Nationality: French

First appointed: 3 May 2013

Date of re-appointment: 4 May 2017

End of current term of office: 2021 OGM<sup>(2)</sup>

Number of Lagardère SCA shares held: 610

Member of the Audit Committee of Lagardère SCA.

A graduate of HEC Business School, Institut d'Etudes Politiques de Paris and École Nationale d'Administration, Aline Sylla-Walbaum is an Inspector of Finance and was appointed International Managing Director (Luxury) of Christie's in September 2014. Before joining Christie's in 2012 as Managing Director of Christie's France, the world's leading art business, she was Deputy Chief Executive Officer of Development at Unibail-Rodamco, Europe's leading listed commercial property company, cultural and communications advisor to the office of the French Prime Minister from 2007 to 2008, and Deputy Executive Director, Director of Cultural Development at the Louvre museum for five years.

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

Aline Sylla-Walbaum does not exercise any positions in any other companies.

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

Member of the Board of Directors, Musée d'Orsay

Vice-Chair of the Board of Directors, Orchestre de Paris

Member of the Board of Directors, Louvre-Lens museum

**SUSAN M. TOLSON**

3319 Prospect St. NW, Washington, DC 20007, USA

Date of birth: 7 March 1962

Nationality: American

First appointed: 10 May 2011

Date of re-appointment: 5 May 2015

End of current term of office: 2019 OGM<sup>(2)</sup>

Number of Lagardère SCA shares held: 600

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 which currently manages assets of over a trillion dollars – 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.

(1) Listed company.

(2) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

### 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, the American Cinémathèque

Director, Terra Alpha LLC

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>, member 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 held 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

### PATRICK VALROFF

26 rue de Clichy – 75009 Paris, France

Date of birth: 3 January 1949

Nationality: French

First appointed: 27 April 2010

Date of re-appointment: 6 May 2014

End of current term of office: 2018 OGM<sup>(2)</sup>

Number of Lagardère SCA shares held: 600

Member of the Audit Committee of Lagardère SCA

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

Senior Advisor to Omnes Capital

Director of not-for-profit association La Protection sociale de Vaugirard

Director, Néovacs<sup>(1)</sup>

Member of the Financial Committee of the International Chamber of Commerce

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

Patrick Valroff has not held any other directorships or other positions in the last five years.

(1) Listed company.

(2) The Ordinary General Meeting to be held in the year indicated to approve the financial statements for the previous year.

These members form a competent, independent and attentive Supervisory Board, fully able to represent shareholders' interests. Further to the recommendation of the Appointments, Remuneration and Governance Committee, the Board defined a set of criteria for the selection of members. Members are therefore chosen first and foremost based on their expertise and experience (managerial,

financial, strategic and/or legal) as well as their knowledge of the Group's businesses so that it can exercise its supervisory duties in full. Moreover, the Board complied with the provisions of the Copé-Zimmerman law concerning gender parity in advance as the 40% quota was met at the 2013 Annual General Meeting.

The following chart illustrates these objectives:



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

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

In addition, as Lagardère SCA fulfils the eligibility criteria set out in the French Commercial Code for the exemption applicable to holding companies, it is not subject to the obligation to include employee representatives on the Supervisory Board.

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

A review of each member of the Supervisory Board's position by the Appointments, Remuneration and Governance Committee has concluded that all Supervisory Board members qualify as independent members in the light of the criteria for independence, applied by the Supervisory Board and contained in the Afep-Medef Corporate Governance Code, which it has taken as a benchmark framework for analysis (see table below).

The Supervisory Board has concluded that in the absence of any financial transactions between Messier Maris and the Group, François Roussely continues to qualify as an independent member irrespective of his appointment as partner at that bank.

As set out in the table below, none of the Board members has any business relationships with the Group.

**Summary table of Supervisory Board members' compliance with the independence criteria set out in the Afep-Medef Corporate Governance Code at 31 December 2017**

	X. de Sarrazin	N. Andrieux	M. Chêne	G. Chodron de Courcel	F. David	Y. Guillemot	P. Lescure	J.C. Magendie	S. Malinbaum	H. Molinari	F. Rousselley	A. Sylla-Walbaum	S. Tolson	P. Valroff
<b>Independence criteria set out in the Afep-Medef Corporate Governance Code and applied by the Supervisory Board</b>														
Not to be an unprotected employee or executive corporate officer of the Company or its parent company or a company that it consolidates, and not to have been in such a position for the previous five years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not to be an executive corporate officer of a company 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 for less than five years) is a director or member of the Supervisory Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not to be, directly or indirectly, related to a customer, supplier, investment or commercial banker: ► that is material to the Company or the Group; ► or for which the Company or the Group represents a significant proportion of its business.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not to be related by close family ties to a Managing Partner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not to have been an auditor of the Company within the previous five years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not to hold, directly or indirectly, 10% or more of the share capital or voting rights of the Company or of the Group or be related in any way whatsoever to a shareholder with an investment greater than 10% of the Company or a Group company.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Conclusion	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	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	✓	✓	✓	✗	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓

## B) 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 30 November 2016.

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 Chairman, Managing Partners 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 an Audit Committee:** in addition to the tasks described below, this Committee is also responsible for preparing the Board meetings for subjects within its remit;
- 6. The existence of an Appointments, Remuneration and Governance Committee:** in addition to the tasks described below, this Committee is also responsible for preparing the Board meetings for subjects within its remit.

## C) ACTIVITIES IN 2017

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 and 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, five of which are planned for 2018. During 2017, the Supervisory Board met four times:

- ▶ on 8 March with an attendance rate of 100%, mainly to review the parent company and consolidated financial statements and the general business position and outlook, undertake preparatory work for the Annual General Meeting, approve the report of the Chairman of the Supervisory Board and adopt its report to the shareholders. Further to the recommendation of the Appointments,

Remuneration and Governance Committee, the Supervisory Board also decided to approve the conditions for awarding performance shares to the executive corporate officers, nominated for re-appointment members whose terms of office are set to expire at the General Meeting, and reviewed the agreement signed and authorised during a previous year that remains in effect;

- ▶ on 7 June with an attendance rate of 86.6%, to review recent developments within the Group, in particular the situation at Hachette Livre (presentation given by Arnaud Noury, Marie-Claire Wastiaux and Ronald Blunden) and developments in the Group's Compliance programme;
- ▶ on 6 September with an attendance rate of 93.3%, mainly to review the general business position and outlook as well as the interim parent company and consolidated financial statements. The Board was also briefed on Group IT security by the Group IT Director and his deputy, and approved its work plan for 2017;
- ▶ on 13 December with an attendance rate of 100%, to examine the Group's general business position as well as the organisation of the Group's financial communications. Dag Rasmussen also presented a briefing on recent developments in the Lagardère Travel Retail division. The findings of the self-assessment of the operation and membership of the Supervisory Board and its Committees were also presented. The Board also accepted the resignation of one of its members.

Following this Board meeting, the members met without the Managing Partners in attendance.

In June 2017, the Supervisory Board convened for a seminar during which its members discussed the Group's strategy. Presentations were also given on some of the Group's business lines, including the Radio business, notably the positioning of the Europe 1 radio station, as well as on the partnerships forged by Lagardère Travel Retail.

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 2017, these duties gave rise to numerous meetings with the Managing Partners, Secretary General, Chief Financial Officer, division senior executives in France and abroad, Statutory Auditors, as well as to working sessions with the Internal Audit and Risk departments.

**Members' attendance at Supervisory Board and Committee meetings in 2017**

Member of the Board	Attendance rate at Supervisory Board meetings	Attendance rate at Audit Committee meetings	Attendance rate at Appointments, Remuneration and Governance Committee meetings
Nathalie Andrieux	100%	100%	-
Martine Chêne	100%	-	-
Georges Chodron de Courcel	100%	-	80%
François David	100%	80%	100%
Yves Guillermot	75%	-	-
Pierre Lescure	75%	-	40%
Jean-Claude Magendie	100%	-	-
Soumnia Malinbaum	100%	-	100%
Hélène Molinari	100%	-	100%
Javier Monzón	66.6%	-	-
François Roussey	100%	-	-
Xavier de Sarrau	100%	100%	-
Aline Sylla-Walbaum	100%	100%	-
Susan M. Tolson	100%	-	-
Patrick Valroff	100%	100%	-

## D) SUPERVISORY BOARD COMMITTEES

### D.1 AUDIT COMMITTEE

<b>Members (at 31 Dec. 2017)</b>	<ul style="list-style-type: none"> <li>► Xavier de Sarrau (Chairman)</li> <li>► Nathalie Andrieux</li> <li>► François David</li> <li>► Aline Sylla-Walbaum</li> <li>► Patrick Valroff</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 2.1.5.A of the Reference Document.</p> <p>At 31 December 2017, all 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 (<i>société en commandite par actions</i> – SCA), 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>► ensures that the Company has internal control and risk management procedures, particularly procedures for (i) the preparation and processing of accounting and financial information used to prepare the accounts, (ii) risk assessment and management, (iii) 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 and examines the report of the Chairman of the Supervisory Board on internal control and risk management procedures;</li> <li>► monitors the efficiency of internal control and risk management systems;</li> <li>► examines all matters pertaining to 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 Capital &amp; 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 reinforced under the contract, essentially comprising the Managing Partners' remuneration.</li> </ul> <p>In application of its internal rules, the Audit Committee meets at least four times a year.</p> <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 main 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 2017</b>	<p>During 2017, the Audit Committee met five times with an average attendance rate of 96%, it being specified that two meetings to review the annual and interim financial statements were held more than five days before the Supervisory Board's meetings. All members were present at the meetings in March, May, July and November, and 80% of members were present at the meeting in October.</p> <ul style="list-style-type: none"><li>▶ The meeting of 2 March was held to examine the impairment tests carried out on intangible assets for the 2016 financial statements, to review the 2016 consolidated financial statements and to present and review the Chairman's draft report on internal control and risk management. It also reviewed relations with Lagardère Capital &amp; Management (LC&amp;M).</li><li>▶ On 23 May, the Committee focused on the Group's internal audit activity during the first half of 2017 and reviewed the fees of the Statutory Auditors. The professional conduct and independence rules of the Statutory Auditors were also presented to the Audit Committee, as well as the audit approach for the year to come. The Group's risk map and the results of the internal control self-assessment were also presented to the Audit Committee.</li><li>▶ On 26 July, the Committee reviewed the Group's consolidated financial statements for the first half of 2017, and was given a presentation of the Group's return on equity.</li><li>▶ The meeting of 5 October was held to present the Group's IT security processes and the findings of its IT security survey, along with a review of the Group's tax policy.</li><li>▶ Lastly, at the meeting of 23 November, the Committee reviewed internal audit activities during the second half of 2017 and the audit plan for 2018. It also received a briefing on the challenges related to changes in European copyright regulations, the new format of the Statutory Auditors' reports, and an update on legal disputes. Lastly, the Committee was given a presentation on identifying and monitoring key personnel within the Finance Department.</li></ul> <p>When the Audit Committee reviewed the financial statements, the Chief Financial Officer gave a presentation of the Group's risk exposure and significant off-balance sheet commitments.</p> <p>These meetings took place in the presence of the Chief Financial Officer, Internal Audit Director, Risk and Internal Control Director, and the Statutory Auditors. Depending on the issues discussed, other executives, including the Secretary General, Accounting Director, Group IT Director, Group General Counsel and Deputy Group Tax Director, as well as certain members of their teams, were asked to provide input as needed.</p>
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**D.2 APPOINTMENTS, REMUNERATION AND GOVERNANCE COMMITTEE**

<b>Members (at 31 Dec. 2017)</b>	<ul style="list-style-type: none"> <li>► <b>François David (Chairman)</b></li> <li>► <b>Georges Chodron de Courcel</b></li> <li>► <b>Pierre Lescure</b></li> <li>► <b>Soumia Malinbaum</b></li> <li>► <b>Hélène Molinari</b></li> </ul> <p>At 31 December 2017, all of the Appointments, Remuneration and Governance Committee's members were independent (see table above).</p>
<b>Main tasks</b>	<ul style="list-style-type: none"> <li>► <b>Regarding Board and Committee membership:</b> <ul style="list-style-type: none"> <li>- defining the selection criteria of future members;</li> <li>- selecting and recommending Supervisory Board and Committee candidates to the Supervisory Board.</li> </ul> </li> <li>► <b>Regarding remuneration:</b> <ul style="list-style-type: none"> <li>- monitoring, where relevant, any components of remuneration that are not paid under the agreement with Lagardère Capital &amp; Management (which, being a related-party agreement is monitored by the Audit Committee – see above) and may be allocated to Lagardère SCA's corporate officers from Group companies. Under current laws, this concerns share options and performance shares and the proportion they represent of the executive corporate officers' total remuneration,</li> <li>- proposing the overall amount of attendance fees to be paid to members of the Supervisory Board and Committees as submitted to the General Meeting, and the rules for determining and distributing attendance fees, in particular based on members' attendance at meetings.</li> </ul> </li> <li>► <b>Regarding governance:</b> <ul style="list-style-type: none"> <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> </ul> </li> <li>► <b>Regarding sustainable development (CSR):</b> <ul style="list-style-type: none"> <li>- examining the main labour, 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 to shareholders and other stakeholders regarding CSR issues;</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>

<b>Main activities in 2017</b>	<p>In 2017, the Committee met five times with an average attendance rate of 84%. All members were present at the meetings in March and September, 80% of members were present at the meetings in April and November, and 60% of members were present at the meeting in January.</p> <ul style="list-style-type: none"> <li>▶ During its meeting in January, the Committee analysed the composition of the Board and its Committees and the independence of its members, prepared the re-appointment of the members whose terms of office were set to expire, and reviewed the conditions for awarding performance shares to the executive corporate officers.</li> <li>▶ In March, the Committee reviewed and adopted the draft report of the Chairman relating to membership of the Supervisory Board, the application of the principle of balanced representation of women and men on the Board and the conditions under which the Board's work is prepared and organised.</li> <li>▶ During its meeting in April, the Committee launched the self-assessment of the Supervisory Board and its Committees, and in preparation for the General Meeting, examined the comments of the principal proxy advisors and investors with respect to the Supervisory Board.</li> <li>▶ In September, the Corporate Social Responsibility Director gave a progress report for 2017 on the Group's CSR roadmap. The Committee also approved its schedule and work plan for the coming year.</li> <li>▶ Lastly, during its meeting in November, the Committee received a briefing on the Group's ESG ratings. The Group Secretary General also presented the remuneration policy for the Managing Partners and its various components and criteria. The Committee also reviewed the findings of the self-assessment on the membership and operation of the Board and its Committees and commissioned a study on millennials to be carried out by two Committee members in 2018.</li> </ul> <p>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 and her deputy.</p>
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## E) EVALUATION OF THE MEMBERSHIP AND OPERATION OF THE SUPERVISORY BOARD

Since 2009, the Supervisory Board has assessed the operation of the Board and its Committees each year in order to form an opinion on the preparation and quality of their work. Every three years, this assessment is performed by an external consultant based on a questionnaire prepared by the Appointments, Remuneration and Governance Committee and sent to each member of the Supervisory Board.

The annual assessment mainly concerns the Board's membership, the duration of its members' terms of office, the frequency of re-appointments, the process for selecting members and the independence criteria, as well as the Board's operation, the organisation of its meetings, access to information, the agenda and work, the amount and distribution of attendance fees as well as a follow-up of the assessment. It also involves a similar review of the Committees.

During the assessment, members are therefore free to express their views on the individual contributions of other members. They may also discuss such matters on a one-to-one basis with the Chairman of the Board. 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 Supervisory Board carried out a self-assessment in 2017 under the supervision of the Appointments, Remuneration and Governance Committee. The findings were presented to the Supervisory Board on 13 December 2017.

The members were mostly very satisfied with the membership, organisation and operation of the Board and its Committees. The Board's seminar, the topics presented and the participants proved especially popular. Suggested areas for improvement included broader access to certain documents and information on the Group, such as press reviews.

## F) COMPLIANCE WITH FRENCH CORPORATE GOVERNANCE REGULATIONS – AFEP-MEDEF

The Company has applied the corporate governance principles brought together in the Afep-Medef Corporate Governance Code as revised in November 2016. 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 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 appropriate to the nature of its work under 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
<p>Independence criteria</p> <p>"Not to have been a director of the corporation for more than 12 years"</p>	<p>It is deemed that the fact of having been a Board member for more than 12 years does not disqualify such 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>An individual assessment of the situation of each member is conducted annually by the Supervisory Board, which considered that the independence of Georges Chodron de Courcel, Pierre Lescure and François Roussely should not be contested, despite their seniority on the Board.</p> <p>However, in light of the situation, the Board wished for the terms of office in respect of the proposed re-appointments of these three members to be shorter than those of the other members up for re-appointment.</p>

## G) REMUNERATION OF THE SUPERVISORY BOARD

At the Ordinary and Extraordinary General Meeting of 10 May 2011, the Company's shareholders raised the aggregate amount of annual attendance fees payable to Supervisory Board members to €700,000.

Each member of the Supervisory Board receives a basic portion of attendance fees. The following members also receive an additional portion of attendance fees corresponding to a multiple of the basic

portion: members of the Audit Committee and the Appointments, Remuneration and Governance Committee (twice the basic portion) and the Chairman of the Supervisory Board and the Committee Chairmen (one basic portion).

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

In addition, the variable portion of these fees, which is determined based on attendance, represents 60% of these fees.

Attendance fees due to members of the Supervisory Board were as follows in 2016, 2017 and 2018 (in euros):

	2016 for 2015	2017 for 2016	2018 for 2017
Nathalie Andrieux	57,931.03	51,578.95	55,629.14
Martine Chêne	19,310.34	18,421.05	18,543.05
Georges Chodron de Courcel	53,103.45	52,500.00	51,178.81
François David	103,310.34	106,842.11	106,807.95
Xavier de Sarrau	96,551.72 <sup>(1)</sup>	92,105.26 <sup>(1)</sup>	92,715.23 <sup>(1)</sup>
Yves Guillemot	19,310.34	18,421.05	15,761.59
Pierre Lescure	50,206.90	43,657.89	39,496.69
Jean-Claude Magendie	19,310.34	18,421.05	18,543.05
Soumia Malinbaum	48,275.86	55,263.16	55,629.14
Hélène Molinar	48,275.86	55,263.16	55,629.14
Javier Monzón	16,413.79 <sup>(1)</sup>	18,421.05 <sup>(1)</sup>	11,125.83 <sup>(1)</sup>
François Roussely	19,310.34	15,657.89	18,543.05
Aline Sylla-Walbaum	52,137.93 <sup>(1)</sup>	51,578.95 <sup>(1)</sup>	55,629.14 <sup>(1)</sup>
Susan M. Tolson	19,310.34 <sup>(1)</sup>	15,657.89 <sup>(1)</sup>	18,543.05 <sup>(1)</sup>
Patrick Valroff	57,931.03	55,263.16	55,629.14
<b>Total</b>	<b>680,689.61<sup>(1)</sup></b>	<b>669,052.62<sup>(1)</sup></b>	<b>669,404.00<sup>(1)</sup></b>

(1) Less withholding tax.

Raymond Levy received €75,419.52 in retirement benefits for 2017, as provided for in his original employment contract.

Following the recommendation by the Appointments, Remuneration and Governance Committee, the Supervisory Board proposed that the Managing Partners should arrange for Xavier de Sarrau to receive

an amount in addition to his attendance fees, in recognition of the many specific services he provides above and beyond his remit as Chairman of the Board. This remuneration is not a salary and was set at €240,000 per year with effect from 27 April 2010 when Xavier de Sarrau became Chairman of the Board.

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

### **2.1.6.1 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.
- ▶ No 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.

### **2.1.6.2 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 Managing Partners, of the service agreement signed between Lagardère Ressources and LC&M (a company almost entirely owned by Arnaud Lagardère). For more information on this agreement, see section 2.1.7 below and the Statutory Auditors' report on related party agreements and commitments in section 5.8.

### **2.1.6.3 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.

### **2.1.6.4 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 2.1.5).
- ▶ 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 2.2.4).

**2.1.7****TRANSACTIONS WITH RELATED PARTIES (EXECUTIVE CORPORATE OFFICERS AND MEMBERS OF THE SUPERVISORY BOARD)****2.1.7.1 TRANSACTIONS WITH LAGARDÈRE CAPITAL & MANAGEMENT (LC&M)**

Lagardère Capital & Management (LC&M), controlled and chaired by Arnaud Lagardère and with Pierre Leroy as Chief Operating Officer, provides an array of management resources and skills to both the Group and each of its component parts, 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 potential investments and divestments;
  - managing business negotiations such as divestments, mergers and acquisitions;
  - orchestrating corporate actions, 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 accomplish its mission, LC&M employs the principal senior executives forming the Group's Executive Committee. The role of the Executive Committee is to assist the Managing Partners in their duties, i.e., to determine the Group's strategy and lead its development, and to take the resulting key management decisions and implement them globally at parent company level and in the Group's different business activities. LC&M bears all the costs related to the remuneration of these senior executives (remuneration and the related payroll taxes, taxes on performance share awards, business taxes and provisions for supplementary pensions) and the related overheads (office space, secretarial support, company cars, telecommunications, miscellaneous administrative expenditure, etc.) as well as the fees billed by any French and/or international consultants that they may call upon.

LC&M's mission is carried out within the framework of the Service Agreement with Lagardère Ressources (formerly Matra Hachette Général), which is responsible for managing all of the Group's corporate resources.

Since 2004, the remuneration paid to LC&M under the Service Agreement has been equal to the amount of expenses it incurs in carrying out its mission, plus a margin of 10%, with an absolute upper limit set at €1 million. These expenses are examined each financial year by the Audit Committee, which issues an opinion on any developments. After examination by the Audit Committee, this remuneration package was approved by the Supervisory Board on 12 March 2004.

This contractual framework brings together in a clear and transparent manner within the scope of the statutory review of related-party agreements, the expenses corresponding to the total cost of General Management, which would, under all circumstances, have been borne by the Group.

The Service Agreement and the provisions related to it concerning the supplementary pension plan for eligible employees of LC&M, authorised in the previous years and which continues to apply, are subject to an annual review by the Audit Committee, at the request of the Supervisory Board.

The work of the Audit Committee on the conditions and costs related to these agreements and commitments, including the remuneration of the members of the Executive Committee, is subject to a report to be submitted to the Supervisory Board for information and discussion purposes.

This Service Agreement and the related commitment concerning the supplementary pension plan is also subject to an annual review by the Supervisory Board, in accordance with article L. 225-88-1 of the French Commercial Code.

Lastly, these agreements and commitments are described each year in the Statutory Auditors' Special Report issued under article L. 226-10 of the French Commercial Code and published in the annual reports.

In 2017, LC&M invoiced €23.8 million to the Group in respect of the Service Agreement which was reviewed by the Supervisory Board at its meeting of 8 March 2018, versus €26 million in 2016. In addition to gross salaries, this amount included the related taxes, payroll taxes and pension provisions. After deducting other expenses, total costs amounted to €22.8 million. Operating profit after tax from the above agreement amounted to €0.7 million.

**2.1.7.2 AGREEMENTS ENTERED INTO WITH MEMBERS OF THE SUPERVISORY BOARD**

None – See section 2.1.6.2.

**2.1.7.3 OTHER TRANSACTIONS**

The other transactions with related parties in 2017 undertaken in the normal course of business took place under arm's length conditions. In particular, Lagardère SCA has not identified any agreements, other than those relating to normal business operations and conducted under arm's length conditions, entered into in 2017 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 subsidiaries more than 50%-owned by Lagardère SCA directly or indirectly.