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## CORPORATE GOVERNANCE REPORT

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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, where appropriate, the information adapted to French partnerships limited by shares, as set out in articles L 225-37-3 to L 225-37-5. The additional information referred to in paragraph

6 of article L 225-37-4 of the French Commercial Code is covered in section 4.3.1.2 – Diversity and gender balance in human capital. It was prepared with the assistance of the Board Secretary and Group General Secretariat, and was approved by the Supervisory Board on 28 February 2020.

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

**AFR**

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

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

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

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

### 2.1.2 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 2.2), 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 2.2.6). 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*), while encouraging the development of a long-term strategy.

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

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

**AFR**

### 2.2.1 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.

### 2.2.2 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.

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

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

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

In the event that a corporate General Partner that is also a Managing Partner of the Company changes its own Managing Partner(s), Chairman of its Board of Directors and/or Chief Executive Officer and/or Chief Operating Officer(s), it is deemed to have resigned as Managing Partner of the Company, with immediate effect. This is also the case in the event of the sale or subscription of shares which the Supervisory Board has not approved, as described in section 2.2.3.

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

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## 2.2.3 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 12 members, selected exclusively among shareholders who are neither General nor Managing Partners.

In accordance with French Act no. 2019-486 dated 22 May 2019 (known as the "Pacte law"), at the Annual General Meeting on 5 May 2020, the shareholders will be asked to amend the Company's Articles of Association in order to set out the terms and conditions for appointing two employee representative members of the Supervisory Board.

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 submitted to the shareholders.

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

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

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

The Supervisory Board has a maximum of 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 Arjil Commanditée-Arco shares or the issue of transferable securities by Arjil Commanditée-Arco, which might alter its control immediately or in the future, is subject

to the prior approval of the Company's Supervisory Board, which must make a decision within 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.

- 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.

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

- The General Partners (*Associés Commandités*) are:
  - Arnaud Lagardère, domiciled at 4, rue de Presbourg, 75116 Paris, France;
  - Arjil Commanditée-Arco, a French joint-stock corporation (*société anonyme*) with share capital of €40,000, whose registered office is located at 4, rue de Presbourg, 75116 Paris, France. Registered with the Paris Trade and Companies Registry under number 387 928 393.
- 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.
- 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.
- 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.
- 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 2019 are as follows (in thousands of euros):

### Balance sheet

Assets	
Accounts receivable	27,099
Cash and cash equivalents	34
<b>Total</b>	<b>27,133</b>
Shareholders' equity and liabilities	
Shareholders' equity	27,094
Accounts payable	39
<b>Total</b>	<b>27,133</b>

### Income statement

Operating revenues	0
Operating expenses	31
Net operating loss	(31)
Financial income	998
Financial expenses	0
Net financial income	998
Net exceptional income	0
Income tax benefit	(285)
<b>Profit for the year</b>	<b>682</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)

1. The decisions of the General Partner(s) may be made either at meetings, or by written consultation (ordinary letter, telex, telegram, fax, etc.).
2. In the event of a written consultation, each General Partner has a period of 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.

### 2.2.5 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.

### 2.2.6 GENERAL MEETINGS OF SHAREHOLDERS

#### 2.2.6.1 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.

#### 2.2.6.2 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 of the Articles of Association as being exclusively within the authority of an Extraordinary General Meeting.

With the exception of resolutions concerning the election, resignation or dismissal of Supervisory Board members and the approval of the appointment of a Managing Partner (after the Supervisory Board has exercised its power of veto twice within two months in accordance with section 2.2.3 – 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 2.2.3 – 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.

### 2.2.6.3 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 (*société anonyme*) or a limited liability company (*société à responsabilité limitée*);
- ▶ the winding-up of the Company;
- ▶ the merging of the Company;
- ▶ and all other matters on which an Extraordinary General Meeting may validly decide in accordance with the law.

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

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

### 2.2.6.4 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-proprétaire*) at Extraordinary General Meetings.



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

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

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.

## 2.2.8 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.

## 2.3 INFORMATION CONCERNING THE GENERAL PARTNERS AND MANAGING PARTNERS

**AFR**

### 2.3.1 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

### 2.3.2 MANAGING PARTNERS

At 31 December 2019, the Company was managed by two Managing Partners:

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

#### 2.3.2.1 ARNAUD LAGARDÈRE

##### ARNAUD LAGARDÈRE

*Managing Partner, Lagardère SCA*

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

4, rue de Presbourg,  
75116 Paris, France

Date of birth:  
18 March 1961

Number of Lagardère SCA shares held directly and indirectly at 31 December 2019 (see section 2.9.9.1): 9,521,625.

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

Arnaud Lagardère was appointed Managing Partner 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, with which he held a 7.26% stake in Lagardère SCA at 31 December 2019 (see section 2.9.9.1).

##### Directorships and other positions held in the Group (at 31 December 2019)

- ▶ Chairman and Chief Executive Officer and Chairman of the Board of Directors, Lagardère Media SAS
- ▶ Director, Hachette Livre SA
- ▶ Chairman of the Supervisory Board, Lagardère Travel Retail SAS
- ▶ Chairman of the Supervisory Board, Lagardère Active SAS
- ▶ Director, Lagardère Ressources SAS
- ▶ Chairman, Lagardère Sports 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

##### Directorships and other positions held outside the Group (at 31 December 2019)

- ▶ Chairman, Lagardère SAS
- ▶ Chairman, Lagardère Capital & Management SAS
- ▶ Chairman, LM Holding SAS

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

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

- ▶ 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, Europe 1 Digital (SARL) (formerly Lagardère News)
- ▶ General Manager, Europe News (SNC)
- ▶ Chairman, Europe 1 Télécompagnie SAS
- ▶ Deputy Chairman, Lagardère Active Broadcast (a Monaco-based joint-stock corporation)
- ▶ Chairman, Lagardère Médias News SAS
- ▶ Chairman, Lagardère North America.

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

- ▶ Chairman of the Executive Committee, Lagardère Sports and Entertainment SAS (until October 2019)

**2.3.2.2 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 2019):**

**ARNAUD LAGARDÈRE (SEE ABOVE).**

**PIERRE LEROY**

Co-Managing Partner of Lagardère SCA

Secretary General of the Lagardère group

4, rue de Presbourg,  
75116 Paris, FranceDate of birth:  
8 October 1948

Number of Lagardère SCA shares held at 31 December 2019: 99,279.

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

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

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

**Directorships and other positions held in the Group (at 31 December 2019)**

- ▶ Director, Deputy Chairman and Chief Operating Officer, Lagardère Media SAS
- ▶ Chairman and Chairman of the Board of Directors, Lagardère Ressources SAS
- ▶ Director, Hachette Livre SA
- ▶ Member of the Supervisory Board, Lagardère Travel Retail SAS
- ▶ Member of the Supervisory Board, Lagardère Active SAS
- ▶ 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
- ▶ Director, Fondation Jean-Luc Lagardère
- ▶ Chairman and Chief Executive Officer, Lagardère Paris Racing Ressources SASP
- ▶ Member of the Board of Directors, Lagardère UK Ltd

**Directorships and other positions held outside the Group (at 31 December 2019)**

- ▶ 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

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

- ▶ 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)
- ▶ Chairman, Holpa SAS (until November 2019)

**THIERRY FUNCK-BRENTANO**

Co-Managing Partner of Lagardère SCA

Chief Human Relations, Communications and Sustainable Development Officer, Lagardère group

4, rue de Presbourg,  
75116 Paris, FranceDate of birth:  
2 May 1947

Number of Lagardère SCA shares held at 31 December 2019: 196,233

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

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

**Directorships and other positions held in the Group (at 31 December 2019)**

- ▶ 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 of 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 (not-for-profit organisation)

**Directorships and other positions held outside the Group (at 31 December 2019)**

- ▶ Director, Lagardère Capital & Management SAS

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

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

**2.4 SUPERVISORY BOARD****AFR****2.4.1 MEMBERS**

Pursuant to the Articles of Association, the Supervisory Board comprises a maximum of 12 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 2019, the Board comprised 12 members.

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

## List of members of the Supervisory Board at 28 February 2020

	Personal information				Experience	Position on the Board				Participation in Board committees
	Age	Sex	Nationality	Number of shares	Number of directorships held in listed companies <sup>(1)</sup>	Independence <sup>(2)</sup>	First appointed	End of term of office	Board seniority	
<b>Patrick Valroff</b> Chairman	71	M	French	600	1	Yes	27 April 2010	2022 OGM <sup>(*)</sup>	9 years	Audit Committee (Chairman) Strategy Committee
<b>Nathalie Andrieux</b>	54	F	French	600	2	Yes	3 May 2012	2020 OGM <sup>(*)</sup>	7 years	
<b>Jamal Benomar</b>	62	M	British Moroccan	150	0	Yes	12 September 2018	2023 OGM <sup>(*)</sup>	1 year	Appointments, Remuneration and CSR Committee
<b>Martine Chêne</b>	69	F	French	400	0	Yes	29 April 2008	2020 OGM <sup>(*)</sup>	11 years	
<b>François David</b>	78	M	French	600	1	Yes	29 April 2008	28 February 2020	11 years	
<b>Yves Guillemot</b>	59	M	French	600	3	Yes	6 May 2014	2022 OGM <sup>(*)</sup>	5 years	
<b>Soumia Malinbaum</b>	57	F	French	650	1	Yes	3 May 2013	2021 OGM <sup>(*)</sup>	6 years	Appointments, Remuneration and CSR Committee
<b>Hélène Molinari</b>	56	F	French	600	1	Yes	3 May 2012	2020 OGM <sup>(*)</sup>	7 years	
<b>Guillaume Pepy</b>	61	M	French	600	1	Yes	27 February 2020 <sup>(3)</sup>	2020 OGM <sup>(*)</sup>	0 years	Audit Committee Strategy Committee (Chairman)
<b>Gilles Petit</b>	63	M	French	600	1	Yes	10 May 2019	2023 OGM <sup>(*)</sup>	1 year	Strategy Committee Appointments, Remuneration and CSR Committee (Chairman)
<b>Nicolas Sarkozy</b>	65	M	French	1,153	1	Yes	27 February 2020 <sup>(3)</sup>	2022 OGM <sup>(*)</sup>	0 years	Strategy Committee
<b>Xavier de Sarrau</b>	69	M	Swiss	750	1	Yes	10 March 2010	28 February 2020	9 years	
<b>Aline Sylla-Walbaum</b>	47	F	French	610	0	Yes	3 May 2013	2021 OGM <sup>(*)</sup>	6 years	Audit Committee Appointments, Remuneration and CSR Committee
<b>Susan M. Tolson</b>	57	F	American	600	3	Yes	10 May 2011	2023 OGM <sup>(*)</sup>	8 years	Audit Committee
<b>Laure Rivière</b> Secretary										

(1) Outside the Lagardère group.

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

(3) Co-optation effective 28 February 2020.

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

**PATRICK VALROFF***Chairman of the Supervisory Board**Chairman of the Audit Committee**Member of the Strategy Committee*

Nationality: French  
 4, rue de Presbourg,  
 75116 Paris, France

Date of birth:  
 3 January 1949

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

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

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

- ▶ 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**

None

(1) Listed company.

**NATHALIE ANDRIEUX***Member of the Supervisory Board*

Nationality: French  
171, rue de l'Université,  
75007 Paris, France

Date of birth:  
27 July 1965

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 Andrieux 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-Télécom Institute's Scientific Advisory Board (*Conseil Scientifique de l'Institut Mines-Télécom*) 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.

In April 2018, she was appointed Chief Executive Officer of Geolid.

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

*In France:*

- ▶ Chief Executive Officer, Geolid
- ▶ Member of the Board of Directors and Remuneration Committee, Casino Guichard<sup>(1)</sup>
- ▶ Member of the Board of Directors, GFI

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

- ▶ Member of the Strategy Committee, Groupe Open<sup>(1)</sup>
- ▶ Chair of the Board of Directors, ENSCI – Les Ateliers
- ▶ Member of the Strategy Committee, Geolid
- ▶ Member of the Scientific Advisory Board, Institut Mines-Télécom
- ▶ 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
- ▶ 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)

(1) Listed company.



**NATHALIE ANDRIEUX (FOLLOWING)***Member of the Supervisory Board*

		<ul style="list-style-type: none"> <li>▶ Chair, Mediapost Publicité</li> <li>▶ Chair, SMP</li> <li>▶ Chair, Financière Adverline</li> <li>▶ Chair, Adverline, permanent representative, Financière Adverline</li> <li>▶ Chair, Cabestan</li> <li>▶ Chair of the Board of Directors, Mix Commerce</li> <li>▶ Chair, Mediapost Multicanal</li> <li>▶ Chair, Financière Sogec Marketing, Permanent representative of SMP</li> <li>▶ Chair, MDP 1</li> <li>▶ Chair, Media Prisme</li> <li>▶ Chair, Matching</li> </ul>
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**JAMAL BENOMAR***Member of the Supervisory Board**Member of the Appointments, Remuneration and CSR Committee*

Nationality: British and Moroccan 9, Rutland Road Scarsdale, NY 10583, United States Date of birth: 11 April 1957	Jamal Benomar has 35 years of experience in roles with international responsibility, including as Special Advisor to the UN Secretary-General and as Under-Secretary-General. After earning degrees in sociology, economics and politics from the universities of Rabat, Paris and London, Jamal Benomar worked as a lecturer and research associate. At the UN, his work focused on diplomatic actions and governance issues.	
	<b>Directorships and other positions held in other companies</b>	<b>Directorships and other positions held during the last five years</b>
	None	None

**MARTINE CHÊNE***Member of the Supervisory Board*

Nationality: French 64, rue du Parc, 34980 Saint-Gély-du-Fesc, France Date of birth: 12 May 1950	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.	
	<b>Directorships and other positions held in other companies</b>	<b>Directorships and other positions held during the last five years</b>
	None	None

**FRANÇOIS DAVID***Member of the Supervisory Board until 28 February 2020*

Nationality: French  
6, rue Auguste-Bartholdi,  
75015 Paris, France

Date of birth:  
5 December 1941

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 Moelis & 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

**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
- ▶ Board advisor, SPIE Batignolles

(1) Listed company.

**YVES GUILLEMOT***Member of the Supervisory Board*

Nationality: French  
28, rue Armand-Carrel,  
93100 Montreuil, France

Date of birth:  
21 July 1960

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 more than 17,000 talented people in some 40 studios worldwide, who create and sell video games published by Ubisoft and its partners across five continents.

In 2018, 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 UK in 2011.

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

- ▶ President and Chief Executive Officer and Director, Ubisoft Entertainment SA<sup>(1)</sup>
- ▶ Deputy Chief Executive Officer, Guillemot Corporation SA<sup>(1)</sup>
- ▶ Director, Andromède SAS, AMA SA

*Outside France:*

- ▶ Director and Deputy Chief Executive Officer, Guillemot Brothers Ltd (United Kingdom)

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

- ▶ Chairman of Ubisoft Anney SAS, Ubisoft Ernea SAS, Ubisoft France SAS, Ubisoft International SAS, Ubisoft Montpellier SAS, Ubisoft Motion Pictures Rabbits SAS, Ubisoft Paris SAS, Ubisoft Production Internationale SAS, Nadéo SAS, Owlent SAS, Ubisoft Création SAS, Ivory Tower SAS, Ubisoft Bordeaux SAS, 1492 Studio SAS, Green Panda Games SAS, Puzzle Games Factory SAS, Solitaire Games Studio SAS
- ▶ Chief Executive Officer, Guillemot Brothers SAS
- ▶ General Manager of Ubisoft Learning & Development SARL, Ubisoft Motion Pictures SARL, Ubisoft Mobile Games SARL, Ubisoft Paris – Mobile SARL, Ivory Art & Design SARL

*Outside France:*

- ▶ General Manager of Ubisoft Blue Byte GmbH (Germany), Ubisoft GmbH (Germany), Ubisoft EooD (Bulgaria), Ubisoft Studios Srl (Italy), Ubisoft Sarl (Morocco), Blue Mammoth Games LLC (United States), Dev Team LLC (United States), i3D.net LLC (United States)
- ▶ Chairman of Dev Team LLC (United States), Chairman and Director of Ubisoft Divertissements Inc. (Canada), Ubisoft Éditions Musique Inc. (Canada), Hybride Technologies Inc. (Canada), Ubisoft Toronto Inc. (Canada), Ubisoft Winnipeg Inc. (Canada), Ubisoft Nordic A/S (Denmark), Ubisoft Entertainment India Private Ltd (India), Red Storm Entertainment Inc. (United States), Ubisoft CRC Ltd (United Kingdom)
- ▶ Vice-Chairman and Director of Ubisoft Inc. (United States)
- ▶ Chief Executive Officer and Director of Ubisoft Emirates FZ LLC (United Arab Emirates)

**Directorships and other positions held during 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 Gameloft SE
- ▶ Director of Guillemot Corporation SA, Rémy Cointreau SA
- ▶ General Manager of Script Movie SARL

*Outside France:*

- ▶ Chairman and Director of Ubisoft Musique Inc. (Canada), 9275-8309 Québec Inc. (Canada), Studio Ubisoft Saint-Antoine Inc. (Canada), Ubi Games SA (Switzerland), Script Movie Inc. (United States), Ubisoft L.A. Inc. (United States)
- ▶ Chairman of Ubisoft LLC (United States)
- ▶ General Manager of Ubisoft Entertainment SARL (Luxembourg)
- ▶ Director of Gameloft Divertissements Inc. (Canada), Gameloft Live Développements Inc. (Canada)

(1) Listed company.

**YVES GUILLEMOT (FOLLOWING)**

*Member of the Supervisory Board*

- ▶ 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), BMG Europe BV (Netherlands), Performance Group BV (Netherlands), i3D.net BV (Netherlands), SmartDC Holding BV (Netherlands), Smart DC BV (Netherlands), Smart DC Heerlen 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)

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

Nationality: French  
 17, rue de Phalsbourg,  
 75017 Paris, France  
 Date of birth:  
 8 April 1962

Soumia Belaidi 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 during the last five years***In France:*

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

**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***Member of the Supervisory Board*

Nationality: French  
 19 bis, rue  
 des Poissonniers,  
 92200 Neuilly-sur-Seine,  
 France  
 Date of birth:  
 1 March 1963

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 executive corporate officer of AHM Conseil, a company specialising in the organisation of cultural events, and in 2015, co-founded the contemporary art fair, Asia Now.

**Directorships and other positions held during the last five years***In France:*

- ▶ Member of the Strategy Committee, Be-Bound
- ▶ Director and Chair of the Appointments Committee, Amundi<sup>(1)</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, EPA (*Entreprendre pour Apprendre*)
- ▶ Committee member, JDE (*Les Journées de l'Entrepreneur*)
- ▶ Member of the Board of Directors, Axa IM Limited

(1) Listed company.

**GUILLAUME PEPY**

Member of the Supervisory Board  
 Chairman of the Strategy Committee  
 Member of the Audit Committee

Nationality: French  
 2, rue des Falaises  
 Beaurivage,  
 64200 Biarritz  
 Date of birth:  
 26 May 1958

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

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

*In France:*

- ▶ Director, Chairman of the Appointments and Governance Committee and member of the Strategy Committee, Suez<sup>(1)</sup>
- ▶ Director, Patrimoine Orient-Express fund
- ▶ Director, Memorial pour la mémoire de la Shoah

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

- ▶ Chairman of the Audit and Financial Statements Committee, Suez
- ▶ Chairman of the Management Board, SNCF
- ▶ Chairman and Chief Executive Officer, SNCF Mobilités
- ▶ Member of the Supervisory Board, Systra
- ▶ Director, Comuto SA (BlaBlaCar)
- ▶ Member of the Supervisory Board, Keolis
- ▶ Member of the Board of Directors, Nuovo Trasporto Viaggiatori
- ▶ Directorships and other positions held in various SNCF group companies

(1) Listed company.

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

Nationality: French  
67, rue de Versailles,  
92410 Ville-d'Avray,  
France

Date of birth:  
22 March 1956

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

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

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

- ▶ Director, Maisons du Monde SA<sup>(1)</sup>
- ▶ Chairman, Gilles Petit Conseil

*Outside France:*

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

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

- ▶ Senior Advisor to the Chief Executive Officer of Maisons du Monde SA
- ▶ Chief Executive Officer, Maisons du Monde SA
- ▶ Chief Executive Officer, Elior
- ▶ Director and Chairman and Chief Executive Officer, Elior Concessions
- ▶ Director and Chairman and Chief Executive Officer, Elior Restauration et Services
- ▶ Director and Chairman and Chief Executive Officer, Elior Financement
- ▶ Director, Ansamble Investissements
- ▶ Director, Areas
- ▶ Director, Serunion
- ▶ Director, Elior UK
- ▶ Director, Elior Ristorazione
- ▶ Director, Gourmet acquisition Holdings LLC
- ▶ Director, Trusthouse Services Holdings LLC
- ▶ Permanent representative of Elior, Chairman of Bercy Participations
- ▶ Permanent representative of Elior Restauration et Services on the Board of Directors of Elior Entreprises
- ▶ Permanent representative of Elior Restauration et Services on the Board of Directors of Elres

(1) Listed company.

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

Nationality: French

77, rue de Miromesnil,  
75008, Paris, France

Date of birth:

28 January 1955

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

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

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

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

- ▶ Director and Chairman of the International Strategy Committee, Accor<sup>(1)</sup>
- ▶ Director and member of the Strategy Committee, Lucien Barrière group

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

- ▶ Chief Executive Officer, CSC SELAS

**XAVIER DE SARRAU***Member of the Supervisory Board until 28 February 2020*

Nationality: Swiss

4, rue de Presbourg,  
75116 Paris, France

Date of birth:

11 December 1950

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 setting up 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>(1)</sup>
- ▶ Chairman of the Audit Committee and Ethics Committee, JC Decaux<sup>(1)</sup>

*Outside France:*

- ▶ Chairman of the Board, Thala SA (Switzerland)
- ▶ Director, Vergy Capital (Kazakhstan)
- ▶ Director, Gordon S. Blair (Monaco)
- ▶ General and Managing Partner, SCS Sarrau et Cie (Monaco)
- ▶ Director, Quotapart (Luxembourg)

**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)

(1) Listed company.



**ALINE SYLLA-WALBAUM***Member of the Supervisory Board**Member of the Audit Committee**Member of the Appointments, Remuneration and CSR Committee*

Nationality: French  
7, rue Mirabeau,  
75016 Paris, France

Date of birth:  
12 June 1972

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**

None

**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 TOLSON***Member of the Supervisory Board**Member of the Audit Committee*

Nationality: American  
2344, Massachusetts  
Ave NW,  
Washington DC 20008,  
United States

Date of birth:  
7 March 1962

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

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

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

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

*Outside France:*

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

**Directorships and other positions 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 Musée d'Orsay
- ▶ Director, the American Cinémathèque
- ▶ Director, Terra Alpha LLC

\* \* \*

(1) Listed company.

## Changes in the composition of the Supervisory Board and the Supervisory Board Committees in 2019 and up to 28 February 2020

At 28 February 2020

	Departures	Appointments	Re-appointments
Supervisory Board	Georges Chodron de Courcel (10 May 2019)  François Roussely (10 May 2019)  Xavier de Sarrau (resigned as Chairman of the Supervisory Board on 4 December 2019)  François David (28 February 2020)  Xavier de Sarrau (28 February 2020)	Gilles Petit (10 May 2019)  Patrick Valroff (appointed Chairman of the Supervisory Board on 4 December 2019)  Guillaume Pepy (co-opted on 27 February 2020 with effect from 28 February 2020)  Nicolas Sarkozy (co-opted on 27 February 2020 with effect from 28 February 2020)	Jamal Benomar (10 May 2019)  Susan Tolson (10 May 2019)
Audit Committee	Xavier de Sarrau (resigned as Chairman of the Committee on 4 December 2019)  Nathalie Andrieux (28 February 2020)  François David (28 February 2020)  Xavier de Sarrau (28 February 2020)	Patrick Valroff (appointed Chairman of the Committee on 4 December 2019)  Guillaume Pepy (28 February 2020)  Susan Tolson (28 February 2020)	
Appointments, Remuneration and CSR Committee	Georges Chodron de Courcel (10 May 2019)  François David (28 February 2020)  Hélène Molinari (28 February 2020)	Gilles Petit (12 June 2019)  Gilles Petit (appointed Chairman of the Committee on 28 February 2020)  Jamal Benomar (28 February 2020)  Aline Sylla-Walbaum (28 February 2020)	
Strategy Committee		Guillaume Pepy (appointed Chairman of the Committee on 27 February 2020)  Gilles Petit (27 February 2020)  Nicolas Sarkozy (27 February 2020)  Patrick Valroff (27 February 2020)	

Besides the changes recommended to the Annual General Meeting of 5 May 2020, no significant changes are planned to date in the composition of the Supervisory Board.

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

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

In order to put this policy into place, the Board adopted a series of criteria for selecting members that mirror these goals, based on

a recommendation of the Appointments, Remuneration and CSR Committee. The composition of the Supervisory Board and the Board Committees is reviewed each year by the Appointments, Remuneration and CSR Committee, which reports its findings to the Supervisory Board and puts forward recommendations in this regard.

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

In this way, members form a competent, independent and attentive Supervisory Board, fully able to represent shareholders' interests (see below).

The chart below reflects the results of the policy in place:



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

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

Moreover, in application of the provisions of the Pacte law, a resolution will be put to the vote at the Annual General Meeting of 5 May 2020 asking the shareholders to amend the Company's Articles of Association in order to set out the terms and conditions for appointing employee representative members of the Supervisory Board.

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

At its meeting of 25 February 2020, the Appointments, Remuneration and CSR Committee therefore reviewed the situation of each of the Supervisory Board members and of Guillaume Pepy and Nicolas Sarkozy, whose appointments were recommended to the Supervisory Board on 27 February 2020.

In particular, the Committee considered that the volume of business assigned to the Realize law firm and the attendant fees paid to that firm are not material to the Group or to Realize (it being specified that Nicolas Sarkozy himself does not provide any legal advisory services to the Group), and that accordingly, Nicolas Sarkozy qualifies as an independent member.

Based on this review, it was concluded that all members 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).

**Summary table of Supervisory Board members' compliance with the independence criteria set out in the Afep-Medef Corporate Governance Code at 28 February 2020**

	P. Valroff	N. Andrieux	J. Benomar	M. Chéne	F. David	Y. Guillemot	S. Malinbaum	H. Molinari	G. Peppy	G. Pettit	N. Sarkozy	X. de Sarrau	A. Sylla-Walbaum	S. Tolson
<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: <ul style="list-style-type: none"> <li>▪ that is material to the Company or the Group;</li> <li>▪ or for which the Company or the Group represents a significant proportion of its business.</li> </ul>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not to receive variable remuneration in cash or shares or any other remuneration linked to the performance of the Company or Group	✓													
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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## 2.4.2 BOARD'S INTERNAL RULES AND OPERATION

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

These rules concern the following:

1. **The independence of Board members:** the minimum quota for independent members is fixed at half of the total serving members. Independent members must have no direct or indirect relations of any kind with the Company, the Group or its Management that could compromise their freedom of judgement or participation in the work of the Board. It lists a number of criteria, which form a framework for determining whether or not a member may be considered independent;
2. **The annual number of meetings:** a schedule for the coming year is fixed annually, based on a proposal by the Chairman;
3. **The duties of each member:** apart from the fundamental duties of loyalty, confidentiality and diligence, members' obligations also concern knowledge of the law, regulations and statutory provisions, ownership of a significant number of shares, declaration to the Board of any conflict of interest and regular attendance at meetings;
4. **Trading in shares of the Company and its subsidiaries:** as Board members have access to inside information and in-depth knowledge on certain aspects of the life of the Company and Group, they are expected to refrain from trading in Company shares, except within the following restrictions contained in the Board's internal rules:
  - ▶ no trading in shares may take place during certain defined periods,

- ▶ it is recommended that acquisitions should take place once a year, at the end of the Annual General Meeting, in the form of a block purchase carried out through the Company by each Board member,
  - ▶ the Secretary General of Lagardère SCA and the French financial markets authority (*Autorité des marchés financiers* – AMF) must be informed of any transactions in shares within three days of their completion;
5. **The existence of 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 CSR Committee (formerly the Appointments, Remunerations 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;
  7. **The existence of a Strategy Committee:** this Committee was set up by the Supervisory Board on 27 February 2020. Its role and responsibilities are described below.

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

## 2.4.3 2019 WORK SCHEDULE

The Supervisory Board meets regularly to review the financial position and operations of the Company and its subsidiaries, the annual and interim financial statements, the outlook for each of the business activities taking into account corporate social responsibility issues, 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, four of which are planned for 2020. During 2019, the Supervisory Board met four times:

- ▶ On 13 March with a 100% attendance rate, 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 on corporate governance and adopt its report to the shareholders. At the same meeting, the Supervisory Board recommended the re-appointment of certain members whose terms of office were set to expire at the Annual General Meeting, and it reviewed the agreement signed and authorised during a previous year that remains in effect. Lastly, it approved the terms and conditions for awarding free shares to Lagardère SCA's executive corporate officers and amended the internal rules of the Supervisory Board.
- ▶ On 12 June, with a 92% attendance rate, to review recent developments within the Group, in particular the situation at Europe 1 and Lagardère News (presentation given by Constance Benqué, Marie Renoir-Couteau and Donat Vidal Revel), and to hear the findings of the research about managing millennials in the Group, carried out by two Supervisory Board members.

The Board also discussed the course of action to take following a letter received from a minority shareholder.

- ▶ On 11 September, with a 100% attendance rate, to once again review recent developments within the Group and to examine the interim parent company and consolidated financial statements. The Board also discussed the progress of Lagardère Travel Retail's acquisition of International Duty Free (presentation given by Dag Rasmussen and his team) and approved its work plan for 2020.
- ▶ On 4 December, with a 100% attendance rate, to appoint a new Chairman of the Supervisory Board and a new Chairman of the Audit Committee, review the recent developments within the Group and examine the planned reorganisation of the Corporate functions.

Also during the year a working group was created, made up of Supervisory Board members, to review the Group's succession planning.

In June 2019, the Supervisory Board convened for a seminar during which its members held in-depth discussions on the Group's strategy, as well as on the business activities and outlook of Lagardère Publishing and Lagardère Travel Retail.

Lastly, 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 2019, these duties gave rise to numerous meetings with the Managing Partners, Secretary General, Chief Financial Officer, division senior executives and Statutory Auditors, as well as to working sessions with the Internal Audit and Risk departments. The Chairman of the Supervisory Board is responsible for any dealings between shareholders and the Board.

### Members' attendance at Supervisory Board and Committee meetings in 2019

Member of the Board	Attendance rate at Supervisory Board meetings	Attendance rate at Audit Committee meetings	Attendance rate at Appointments, Remuneration and CSR Committee meetings
Nathalie Andrieux	100%	100%	-
Jamal Benomar	100%	-	-
Martine Chêne	100%	-	-
Georges Chodron de Courcel	100%	-	100%
François David	100%	100%	100%
Yves Guillemot	75%	-	-
Soumia Malinbaum	100%	-	100%
Hélène Molinari	100%	-	100%
Gilles Petit	100%	-	100%
François Roussely	100%	-	-
Xavier de Sarrau	100%	100%	-
Aline Sylla-Walbaum	100%	100%	-
Susan M. Tolson	100%	-	-
Patrick Valroff	100%	100%	-

## 2.4.4 SUPERVISORY BOARD COMMITTEES

### A) AUDIT COMMITTEE

<b>Members</b>	<p>Since 28 February 2020</p> <ul style="list-style-type: none"> <li>▶ <b>Patrick Valroff (Chairman)</b></li> <li>▶ <b>Guillaume Pepy</b></li> <li>▶ <b>Aline Sylla-Walbaum</b></li> <li>▶ <b>Susan Tolson</b></li> </ul>	<p>Up to 28 February 2020</p> <ul style="list-style-type: none"> <li>▶ <b>Patrick Valroff (Chairman)</b></li> <li>▶ <b>Nathalie Andrieux</b></li> <li>▶ <b>François David</b></li> <li>▶ <b>Xavier de Sarrau</b></li> <li>▶ <b>Aline Sylla-Walbaum</b></li> </ul>
<b>Main tasks</b>	<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 2.4.1 of the Universal Registration Document. At 28 February 2020, all the Audit Committee's members were independent (see table above).</p> <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>▶ monitors the effectiveness of internal control and risk management systems and where applicable internal audit, as regards accounting and financial reporting procedures;</li> <li>▶ ensures that the Company has internal control and risk management procedures, particularly procedures for (i) risk assessment and management, and (ii) compliance of Lagardère SCA and its subsidiaries with the main regulations applicable to them. The Audit Committee is informed of any observations and/or suggestions from the Statutory Auditors regarding these internal control procedures;</li> <li>▶ monitors the implementation of measures to prevent and detect corruption;</li> <li>▶ examines all matters pertaining to 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 invoiced under the contract, essentially comprising the Managing Partners' remuneration.</li> </ul> <p>The Chairman of the Audit Committee reports to the members of the Board on the work conducted by the Audit Committee. The members of the Audit Committee interview the Group's 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 2019</b>	<p>During 2019, the Audit Committee met five times with an attendance rate of 100%, 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.</p> <ul style="list-style-type: none"> <li>▶ The meeting of 7 March involved a review of the impairment tests on intangible assets for the purposes of the financial statements for the year ended 31 December 2018, as well as a review of the Group's 2018 consolidated financial statements. The Committee 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 2019 and reviewed the fees of the Statutory Auditors. The Audit Committee was also reminded of the professional conduct and independence rules of the Statutory Auditors, as well as the audit approach for the year to come. The Group's risk map and internal control system were also presented to the Audit Committee.</li> <li>▶ On 23 July, the Committee reviewed the Group's consolidated financial statements for the first half of 2019 and was presented with the results of the internal control self-assessment.</li> <li>▶ The meeting of 3 October was held to present the Group's IT security processes, the follow-up to its IT security survey conducted in 2018, a status report on the Group's compliance with GDPR and a review of the Group's tax policy.</li> <li>▶ Lastly, at the meeting of 19 November, the Committee reviewed internal audit activities during the second half of 2019 and the audit plan for 2020. It also received a progress update on the Group's Compliance program and on disputes and claims, and was briefed on the dividend payout ratio. Lastly, the Committee reviewed the terms and conditions for re-appointing Mazars as Statutory Auditor.</li> </ul> <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 Management Control Director, Group IT Director, Group General Counsel and Group Tax Director, as well as certain members of their teams, were asked to provide input on an as-needs basis.</p>
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## B) STRATEGY COMMITTEE (CREATED ON 27 FEBRUARY 2020)

<b>Members</b>	<ul style="list-style-type: none"> <li>▶ <b>Guillaume Pepy (Chairman)</b></li> <li>▶ <b>Gilles Petit</b></li> <li>▶ <b>Nicolas Sarkozy</b></li> <li>▶ <b>Patrick Valroff</b></li> </ul> <p>At 28 February 2020, all the Strategy Committee's members were independent (see table above).</p>
<b>Main tasks</b>	<p>The Strategy Committee is responsible for assisting the Supervisory Board in preparing and supporting its work regarding the ex-post supervision of business operations. In this respect, it receives all necessary information from the Managing Partners on:</p> <ul style="list-style-type: none"> <li>▶ the Group's main strategic focuses;</li> <li>▶ market trends, the competitive environment and the key strategic challenges facing the Group, as well as the resulting medium- and long-term outlook;</li> <li>▶ major investments and divestments that individually represent more than €100 million and are to be carried out in line with the aforementioned strategic focuses; and</li> <li>▶ any transactions likely to significantly change the Group's scope, business or financial structure.</li> </ul> <p>The Chairman of the Strategy Committee reports to (or has someone report to) the members of the Board on the work conducted by the Committee.</p>



## C) APPOINTMENTS, REMUNERATION AND CSR COMMITTEE (FORMERLY THE APPOINTMENTS, REMUNERATION AND GOVERNANCE COMMITTEE)

<b>Members</b>	<p>Since 28 February 2020</p> <ul style="list-style-type: none"> <li>▶ <b>Gilles Petit (Chairman)</b></li> <li>▶ <b>Jamal Benomar</b></li> <li>▶ <b>Soumia Malinbaum</b></li> <li>▶ <b>Aline Sylla-Walbaum</b></li> </ul>	<p>Up to 28 February 2020</p> <ul style="list-style-type: none"> <li>▶ <b>François David (Chairman)</b></li> <li>▶ <b>Soumia Malinbaum</b></li> <li>▶ <b>Hélène Molinari</b></li> <li>▶ <b>Gilles Petit</b></li> </ul>
	<p>At 28 February 2020, all of the Appointments, Remuneration and CSR Committee's members were independent (see table above).</p>	
<b>Main tasks</b>	<ul style="list-style-type: none"> <li>▶ <i>Regarding Board and Committee membership:</i> <ul style="list-style-type: none"> <li>- defining the selection criteria of future members;</li> <li>- selecting and recommending Supervisory Board and Committee candidates to the Supervisory Board.</li> </ul> </li> <li>▶ <i>Regarding remuneration:</i> <ul style="list-style-type: none"> <li>- issuing an advisory opinion on the remuneration policy for the Managing Partners, approved by the General Partners;</li> <li>- monitoring, where relevant, any other components of remuneration allocated to the Managing Partners, in accordance with the remuneration policy;</li> <li>- proposing the overall amount of annual remuneration allocated to members of the Supervisory Board, which is submitted to the General Meeting for approval;</li> <li>- proposing the remuneration policy applicable to members of the Supervisory Board and its Committees, which is submitted to the General Meeting for approval.</li> </ul> </li> <li>▶ <i>Regarding governance:</i> <ul style="list-style-type: none"> <li>- issuing its opinion to the Supervisory Board concerning the appointment or re-appointment of the Managing Partners proposed by the General Partners;</li> <li>- regularly reviewing the independence of Supervisory Board members in light of the independence criteria defined by the Supervisory Board;</li> <li>- managing the annual assessment of the operations of the Board and its Committees;</li> <li>- carrying out advance assessments of potential risks of conflicts of interest between Supervisory Board members and the Lagardère group;</li> <li>- reviewing the anti-discrimination and diversity policy implemented by the Managing Partners, notably as regards the principle of balanced representation of women and men within the Group's managing bodies.</li> </ul> </li> <li>▶ <i>Regarding sustainable development (CSR):</i> <ul style="list-style-type: none"> <li>- examining the main 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 corporate social responsibility matters;</li> <li>- examining and monitoring the Group's rankings attributed by ESG rating agencies.</li> </ul> </li> </ul> <p>The members of the Committee interview the Chairman of the Supervisory Board, the executive corporate officers or any other person of their choice when necessary.</p> <p>The Chairman of the Committee reports to the members of the Board on the work conducted by the Committee.</p>	

**Main activities in 2019**

In 2019, the Committee met five times with a 100% attendance rate at each meeting.

- ▶ At its March meeting, the Committee (i) reviewed the terms and conditions for awarding free shares to Lagardère SCA's executive corporate officers, (ii) amended the Supervisory Board's internal rules, (iii) reviewed and adopted the corporate governance report, and (iv) adopted its recommendations for the Supervisory Board regarding the appointment and re-appointment of its members.
- ▶ The Committee met in June to discuss its membership structure, propose the appointment of a new Committee member, and launch the external assessment of the Supervisory Board's membership structure and operating procedures.
- ▶ At its meeting in October, the Committee discussed its annual progress report for 2019 on the Group's CSR roadmap. It also approved its schedule and work plan for the coming year.
- ▶ In November, the Committee reviewed the anti-discrimination and diversity policy that applies to the Group's managing bodies, as well as Lagardère SCA's ESG ratings. It also worked on the replacement of the Chairman of the Supervisory Board and the Chairman of the Audit Committee.
- ▶ Lastly, at its meeting in December, the Committee reviewed the findings of the external assessment of the membership structure and operating procedures of the Supervisory Board and its Committees as presented by the independent consulting firm that led the assessment.

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

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

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

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

The assessment mainly concerned the Board's membership, as well as its operation, the organisation of its meetings, access to information, the agenda and work, the amount and distribution of attendance fees, and relations between the Board and the Managing Partners. It also involved a similar review of the Committees.

Members also assessed their own individual contributions. The members of the Supervisory Board voted unanimously to maintain the current *modus operandi* and not to require them to complete a formal questionnaire specifically designed to systematically assess the contribution of their fellow members.

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

## 2.4.6 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 (*Code de gouvernement d'entreprise des sociétés cotées*) revised in January 2020. This code is available in the Corporate Governance section of Lagardère's website.

As stated in the introduction to the Code, most of the recommendations it contains have been established with reference to joint-stock companies with a board of directors. Companies with an executive board and supervisory board, and partnerships limited by shares, need to make adjustments as appropriate 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>However, no Supervisory Board member has been on the Board for more than 12 years.</p>

## 2.5 REMUNERATION AND BENEFITS OF EXECUTIVE CORPORATE OFFICERS

**AFR**

The new provisions of articles L. 226-8 *et seq.* of the French Commercial Code introduced by French Government Order no. 2019-1234 of 27 November 2019 concerning the remuneration of corporate officers in listed companies ("the Order") provide for a single, strict legal framework for the remuneration of the Managing Partners and Supervisory Board members.

In accordance with its Articles of Association, Lagardère SCA does not grant any remuneration to its Managing Partners – Arnaud Lagardère and Arjil Commanditée-Arco – for the performance of their offices.

Similarly, Arnaud Lagardère and Arjil Commanditée-Arco do not receive any remuneration from any other entity included in the Company's scope of consolidation within the meaning of article L. 233-16 of the French Commercial Code.

In this specific context, the new legal framework does not apply to the Company's Managing Partners.

However, in line with the Company's constant objective of implementing best corporate governance practices and meeting shareholders' expectations, it has been decided – in agreement with the General Partners and the Supervisory Board – to voluntarily extend the application of this legal framework to the Company's executive corporate officers.

The purpose of this section 2.5 is therefore to present (i) the remuneration policy for the Company's executive corporate officers and (ii) the components of the total remuneration and benefits paid during or allocated in respect of 2019 to these corporate officers. This remuneration policy and the components of the executive corporate officers' remuneration packages will be submitted for

shareholder approval at the Annual General Meeting to be held on 5 May 2020.

In applying the Afep-Medef Corporate Governance Code (the "Afep-Medef Code") – which the Company uses as its corporate governance framework – Lagardère has opted to use a wide interpretation of the term "executive corporate officer" as it has always applied the corresponding recommendations contained in the Code, not only for Arnaud Lagardère, in his capacity as a Managing Partner of Lagardère SCA, but also for the Chief Operating Officers of Arjil Commanditée-Arco, Lagardère SCA's other Managing Partner.

With a view to following best corporate governance practices, the Company has decided to continue to use the same wide interpretation for its voluntary application of the new legal framework, as this approach seems to reflect the intention of the European and French lawmakers to extensively cover the different components of executive remuneration in listed companies.

The descriptions and explanations that follow therefore concern:

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

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

### 2.5.1 REMUNERATION POLICY FOR EXECUTIVE CORPORATE OFFICERS

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

Remuneration received by the executive corporate officers, as well as by the other members of the Executive Committee, is paid by Lagardère Capital & Management, which is their employer.

Overall, this remuneration represents the majority of the amount invoiced annually by Lagardère Capital & Management to Lagardère Ressources under the Service Agreement entered into between the two companies, pursuant to which the Executive Committee carries out its role of assisting the executive corporate officers with their duties.

The Service Agreement, described in more detail in sections 2.8.1 and 5.8 of this document, was duly authorised and approved under legal rules governing related party agreements and in this respect is reviewed in detail each year by the Audit Committee, Supervisory Board and Statutory Auditors of Lagardère SCA.

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In accordance with the new legal framework introduced by the Order, the remuneration policy applicable to the Managing Partners was approved by the General Partners on the advice issued by the Appointments, Remuneration and CSR Committee and the Supervisory Board at their respective meetings on 25 February and 28 February 2020. The components of remuneration for the executive corporate officers for 2020 are determined, allocated, or decided in this context.

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

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

Most of the principles underlying the remuneration policy for Lagardère SCA's executive corporate officers were set in 2003. They have been applied consistently since that date, while evolving regularly in accordance with best corporate governance practices, in particular the recommendations of the Afep-Medef Code.

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

Within the variable portion, a balance is also sought between the portion based on short-term objectives (**annual variable remuneration contingent on performance for the year concerned**) and the portion based on long-term objectives (**free shares subject to performance conditions assessed over**

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

**a minimum period of three consecutive years, with the vesting period followed by a holding period of no less than two years).**

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

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

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

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

In addition, executive corporate officers have a conditional right to receive a **supplementary pension** in addition to benefits under the basic state pension system. This benefit is taken into account when calculating their overall remuneration.

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

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

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

Furthermore, Arnaud Lagardère, who is a major shareholder of Lagardère SCA, does not receive any free share awards or share options.

**The principles, criteria and amounts of the executive corporate officers' remuneration are regularly reviewed** in order to (i) compare them against the practices of other issuers and peers in the Company's industry, based on both public and private benchmarking reports, and to (ii) verify that they are in line with the latest corporate governance best practices (Afp-Medef recommendations, AMF and HCGE reports, investors' and consultants' policies, etc.).

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

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

In accordance with the second paragraph of article L. 226-8-1, III of the French Commercial Code, exceptions may be decided as to the application of the remuneration policy by modifying, on the advice of the Appointments, Remuneration and CSR Committee, the objectives set for certain criteria applicable to the executive corporate officers' annual variable remuneration or long-term incentive instruments, provided that any such modification is justified by exceptional circumstances, such as a change in accounting standards, a material change in scope, the completion of a transformational transaction, a substantial change in market conditions or an unexpected development in the competitive landscape. Any such modification of the objectives, which would aim to ensure that the application of the criteria continues to reflect the actual performance of the Group and of the executive corporate officer, would be made public and justified, notably with regard to the Group's corporate and long-term interests. In all circumstances, the payment of variable remuneration remains subject to the approval of the shareholders.

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

The components described below are the same as those that were already applied in 2019.

### 2.5.1.2.A SHORT-TERM REMUNERATION COMPONENTS

#### A) Annual fixed remuneration

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

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

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

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

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

#### B) Annual variable remuneration

Annual variable compensation is calculated as a portion of a benchmark amount set for each executive corporate officer, based on a combination of specific, quantitative criteria – both financial and non-financial – directly correlated with the Group's strategy.

For Arnaud Lagardère, his annual variable remuneration only takes into account these quantitative criteria.

For the other executive corporate officers, in addition to the quantitative criteria, a minority portion of their annual variable remuneration is based on qualitative criteria.

In accordance with article L. 226-8-2 of the French Commercial Code, the variable remuneration of the executive corporate officers can only be paid following the approval of the General Meeting of shareholders and of the General Partners.

### Benchmark amounts and maximum amounts

For **Arnaud Lagardère** – who receives neither variable remuneration based on qualitative criteria nor share options or performance shares – his annual variable remuneration is based on a benchmark amount of **€1,400,000** (i.e., 123% of his annual fixed remuneration) which has remained unchanged for several years. His annual variable remuneration **may not exceed 150% of his annual fixed remuneration**.

For each of the **other executive corporate officers**, their variable remuneration is based on (i) a “quantitative portion” benchmark amount of **€400,000** and (ii) a “qualitative portion” benchmark amount of **€200,000**, representing an overall benchmark amount of €600,000, which has remained unchanged for several years. Consequently, 66.66% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria. For both of these executive corporate officers, their annual variable remuneration **may not exceed 75% of their annual fixed remuneration**, and the amount of the **qualitative portion is capped at 25% of their annual fixed remuneration**. The qualitative portion may not therefore represent more than 33% of their maximum annual variable remuneration.

### Quantitative criteria

The quantitative criteria underlying the executive corporate officers’ annual variable remuneration are as follows:

- ▶ **two financial criteria** (accounting for **75% of the benchmark amount**), based on the following key indicators of the Group’s financial health: (i) **recurring operating profit of the Group’s fully consolidated companies** (the basis for the Company’s market guidance), and (ii) **net cash from operating activities of fully consolidated companies**, which represents cash from the Group’s operations;
- ▶ **four non-financial CSR criteria** (accounting for **25% of the benchmark amount**, each with an equal weighting), related to the Group’s key commitments under its Corporate Social Responsibility policy, notably concerning gender equality, a reduction of the environmental impact of the Group’s activities, employee working conditions, and overall non-financial performance.

### The financial criteria apply as follows:

The 75% of the benchmark amount contingent on the financial criteria is indexed based on the arithmetic average of the following two inputs:

- ▶ The difference between the target growth rate for recurring operating profit of fully consolidated companies communicated as market guidance at the beginning of a given year (or the mid-point of a range of values if the growth rate was expressed as a range of values in the market guidance), and the growth rate for recurring operating profit actually achieved for that year, calculated based on any rules set out in the market guidance.

This difference is applied on a directly proportional basis in the event of a negative change and at a rate of 10% per percentage point difference in the event of a positive change; an underperformance therefore has a greater impact than an outperformance.

- ▶ The percentage difference between the amount of net cash from operating activities of fully consolidated companies as forecast in the budget and/or the Group’s forecast consolidated statement of cash flows for a given year, and the amount of net cash from operating activities of fully consolidated companies actually achieved for that year.

This difference is applied on a directly proportional basis.

The arithmetic average of these two inputs may be impacted (downwards only) if there is a negative change in recurring operating

profit of fully consolidated companies for a given year as compared with the previous year, by directly applying the negative change percentage to the factor resulting from the two previous criteria.

### The non-financial CSR criteria apply as follows:

The 25% of the benchmark amount contingent on the non-financial CSR criteria is indexed on the arithmetic average of the achievement rates obtained for each of the four criteria, for which minimum and target performance levels have been set. For each criterion:

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

Each of the four criteria used must be relevant to the Group’s CSR roadmap and must be measurable and monitored over time using reliable systems, and be indicated in the Group’s non-financial statement on which the independent third party’s report is based, except for external criteria based on assessments performed by an independent third party.

The criteria themselves and the minimum and target performance levels for each criterion are set on the basis of proposals put forward by the Sustainable Development Department, further to discussion by the Appointments, Remuneration and CSR Committee and the Supervisory Board. The minimum and target performance levels must be demanding and consistent in terms of both the Group’s historic performance and changes in its operating environment, notably in connection with its strategic refocusing.

It should be noted that this system could evolve as from 2021: the Sustainable Development and CSR Department set up a working group at the beginning of 2020 with a view to creating an internal CSR index that will be used to track the Group’s non-financial strategy and performance. This composite CSR index will cover a broader range of indicators and will naturally be included among the criteria determining variable remuneration for executive corporate officers.

### Qualitative criteria

The qualitative criteria that apply to the **executive corporate officers’ remuneration (with the exception of Arnaud Lagardère)** are based on a set of specific priority targets related to the following two domains:

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

The performance levels achieved in these two domains, each of which has an equal weighting when determining the qualitative variable portion of the remuneration of the executive corporate officers concerned, are directly assessed by Arnaud Lagardère based on reports prepared by the relevant technical departments.

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

### 2.5.1.2.B LONG-TERM REMUNERATION COMPONENTS

#### Performance share awards

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

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

#### Number of performance shares awarded:

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

#### Holding period for vested performance shares:

- ▶ **100% of the vested shares** must be held in a registered account (*nominatif pur*) for a period of **two years**. At the end of this two-year period;
- ▶ **25% of the vested shares** must be held in a registered account (*nominatif pur*) until the beneficiary **ceases his duties** as an executive corporate officer;
- ▶ **25% of the vested shares** must be held in a registered account (*nominatif pur*) until the **value of the Lagardère SCA shares held equals at least one year's worth of the executive corporate officer's gross, variable remuneration**. This value is assessed each year based on (i) the average Lagardère SCA share price for the month of December of the previous year and (ii) the fixed and variable remuneration due in respect of the past year, with the theoretical maximum level being used for the variable portion;
- ▶ each executive corporate officer formally agrees **not to enter into transactions to hedge** risks associated with their performance shares during the holding period;
- ▶ at the close of the mandatory holding periods, the corresponding shares become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SCA in its **Confidentiality and Market Ethics Charter**.

#### Vesting conditions:

##### ▶ *Performance conditions*

In order to factor in the changes in the Company's profile arising from the strategic refocusing process, and with a view to always adhering to best corporate governance practices, the structure of the performance conditions applicable to the executive corporate officers' performance shares was changed in 2019. In particular, it was decided to add **a comparative external criterion and a criterion related to corporate social responsibility**.

The new performance conditions applicable since 2019 are based on the following criteria, which are key indicators used for the Group's strategy and ensure that the beneficiaries' interests are closely aligned with those of the Company and its stakeholders.

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

- ▶ **for 40% of the performance shares** awarded: the achievement during the reference period of a pre-defined **average annual growth rate for recurring operating profit of fully**

**consolidated companies** (determined using the calculation method for the "Group recurring EBIT" market guidance).

Group recurring EBIT is the Group's key performance indicator and reflects its ability to increase its wealth through its commercial activities.

- ▶ **for 20% of the performance shares** awarded: the achievement during the reference period of a pre-defined **cumulative amount of free cash flow excluding growth capex**.

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

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

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

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

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

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

For each of the above-mentioned 10% portions, the shares awarded will vest in full if Lagardère SCA's TSR during the reference period is at least equal to the reference panel's TSR and no shares will vest if Lagardère SCA's TSR is below the reference panel's TSR.

- ▶ **For 20% of the performance shares** awarded: the achievement of a precise objective based on a quantitative criterion related to the Group's key commitments under its **Corporate Social Responsibility** policy. This objective can for example concern gender equality, a reduction of the environmental impact of the Group's activities, employee working conditions, or overall non-financial performance.

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

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



► *Presence condition*

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

If the executive corporate officer resigns, is dismissed or removed from office due to misconduct before the end of this three-year period, then his rights to the performance shares will be forfeited. However, if the executive corporate officer leaves due to a forced departure for reasons other than misconduct (death, disability, retirement or dismissal/removal from office for reasons other than misconduct), the rights to the shares will not be forfeited. In such a case the performance conditions will continue to apply in all circumstances.

The rights to free shares are not forfeited in these specific cases of forced departure because they are an essential component of the executive corporate officer's annual remuneration and are awarded in consideration for duties performed in the year that the rights are awarded. Retaining these rights, which continue to be subject to achieving demanding long-term performance conditions, encourages the executive corporate officer to act in the long-term interests of the Group.

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

### 2.5.1.2.C OTHER BENEFITS

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

The executive corporate officers are provided with a **company car**, the potential personal use of which corresponds to a benefit in kind. The executive corporate officers are also entitled to the reimbursement of business travel and business entertainment expenses incurred in connection with their executive duties.

#### B) Supplementary pension plan

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

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

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

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

The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 providing the beneficiary does not take up another post, (ii) long-term disability, and (iii) early retirement.

In addition, beneficiaries are required to have been members of the Executive Committee for at least five years at the date that they retire. In the event of the beneficiary's death, 60% of the pension is transferable to the surviving spouse.

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

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

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

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

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

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

#### C) Termination benefit

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

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

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

#### D) Extraordinary remuneration

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

The conditions of any exceptional bonus awards and payments are determined in accordance with best corporate governance practices.

Any exceptional bonus award, which must be disclosed and justified in detail, may not in any case exceed 150% of the annual fixed remuneration of the executive corporate officer concerned.

Since 2011, the executive corporate officers (with the exception of Arnaud Lagardère) have only once been awarded a special bonus: in 2014, when the Group sold its stake in EADS and Canal+ France. The total amount of the bonuses paid to the Co-Managing Partners



represented 0.1% of the proceeds from these divestments, of which 58% was paid over to shareholders and on average, represented 85.68% of the annual fixed remuneration of the Co-Managing Partners.

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

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

**Arnaud Lagardère:**

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

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

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

**Pierre Leroy and Thierry Funck-Brentano:**

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

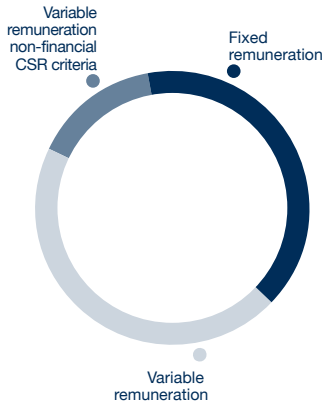
Their variable cash remuneration – which may not exceed 75% of their fixed remuneration – is based on:

- ▶ quantitative financial criteria (50% weighting);
- ▶ quantitative non-financial CSR criteria (16.67% weighting);
- ▶ qualitative criteria (33.33% weighting), it being specified that this qualitative variable portion may not exceed 25% of their fixed remuneration.

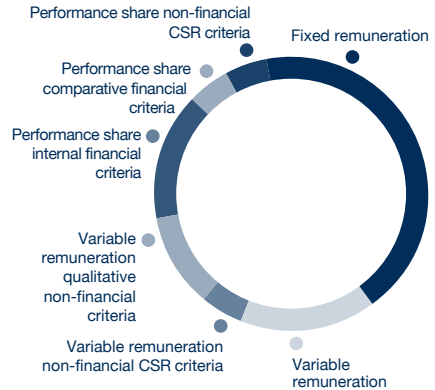
Performance share awards may not represent more than 33.33% of the overall remuneration (fixed and variable) of the executive corporate officers concerned, and the vesting of the shares is contingent on long-term performance (over three consecutive fiscal years). The applicable performance criteria –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

- ▶ internal financial criteria (60% weighting);
- ▶ comparative financial criteria (20% weighting);
- ▶ non-financial CSR criteria (20% weighting).

**Arnaud Lagardère**



**Pierre Leroy and Thierry Funck-Brentano**



## 2.5.2 TOTAL REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO THE EXECUTIVE CORPORATE OFFICERS

This section notably includes, with regard to the executive corporate officers, the information referred to in article L 225-37-3 of the French Commercial Code.

### 2.5.2.1 COMPONENTS OF REMUNERATION PAID OR ALLOCATED

The remuneration and benefits paid during or allocated in respect of 2019 to the executive corporate officers complied with the remuneration policy set out in section 2.5.2 above.

#### A) ANNUAL FIXED REMUNERATION

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

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

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

#### B) ANNUAL VARIABLE REMUNERATION

##### Annual variable remuneration paid during 2019

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

Consequently, the variable remuneration due to the executive corporate officers in respect of 2018 was only paid in 2019.

The amounts of variable remuneration allocated in respect of 2018 and paid in 2019 were as follows:

► for Arnaud Lagardère: €1,628,200;

► for Pierre Leroy and Thierry Funck-Brentano: €723,900.

The allocation of these amounts of annual variable remuneration was put to the shareholders in an advisory "say-on-pay" vote at the 10 May 2019 Annual General Meeting, in accordance with recommendation 26 of the Afep-Medef Code. The shareholders issued a positive opinion on these amounts, with the following percentages of votes cast in favour: (i) 96.88% for the fourth resolution (Arnaud Lagardère), and (ii) 95.90% for the fifth resolution (Pierre Leroy and Thierry Funck-Brentano).

#### Annual variable compensation allocated in respect of 2019

##### ► Quantitative portion of annual variable compensation

##### Financial criteria

For 2019, the achievement levels for the financial criteria described in section 2.5.2.2.A resulted in a factor of **1.12** being applied to the related benchmark amounts (versus 1.163 in 2018 and 0.932 in 2017). Consequently, the **variable portion** of the executive corporate officers' remuneration **based on quantitative financial criteria amounted to €1,176,000** (€1,050,000 x 1.12) **for Arnaud Lagardère and €336,000** (€300,000 x 1.12) **for Pierre Leroy and Thierry Funck-Brentano**.

	Recurring operating profit of fully consolidated companies	Net cash from operating activities	Average
2019 guidance	+5%		
2019 budget		€436.6 million	
2019 achievement	+5.63%	€513.6 million	
Difference	+0.63 points	+€77.1 million	
Impact	+6.3%	+17.7%	
Applicable factor	1.06	1.18	1.12
Change vs. 2018 recurring operating profit of fully consolidated companies			Positive
<b>Final factor</b>			<b>1.12</b>

**Non-financial CSR criteria**

For 2019, the achievement levels for the non-financial CSR criteria resulted in a factor of **1.125**. Consequently, the variable portion of the executive corporate officers' remuneration based on **quantitative**

**non-financial CSR criteria** amounted to **€393,750 for Arnaud Lagardère** (€350,000 x 1.125) and **€112,500 for Pierre Leroy and Thierry Funck-Brentano** (€100,000 x 1.125).

Criteria	Minimum performance level	Target performance level	Level achieved	Achievement rate
Proportion of female executive managers by end-2019	41%	43%	44%	1.50
Scope 1 and 2 CO <sub>2</sub> emissions per million euros of revenue in 2019 (tCO <sub>2</sub> eq)	16.2	14.6	15.6	0.75
Proportion of Group employees having an employee representative at end-2019	67%	71%	70%	0.75
Percentile ranking in the Dow Jones Sustainability Index	80%	86%	87%	1.50
<b>Average</b>				<b>1.125</b>

- Exceeding the target performance level corresponds to a 1.50 achievement rate.
- Reaching the target performance level corresponds to a 1.25 achievement rate.
- Not reaching the target performance level corresponds to a 0.75 achievement rate.
- Not reaching the minimum performance level corresponds to a 0 achievement rate.

As mentioned previously, the criteria themselves and the minimum and target performance levels were approved on the basis of proposals put forward by the Sustainable Development and CSR Department.

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

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

The first criterion – concerning the proportion of female executive managers – is a key indicator for the Group's performance in implementing its strategy of promoting diversity. It is a growth and creativity driver and has been one of the priority objectives of the Group's CSR roadmap for many years. In addition, this criterion is fully in line with the general objective of gender diversity in senior management that is a central governance goal for modern-day companies.

The second criterion – Scope 1 and 2 CO<sub>2</sub> emissions per million euros of revenue (tCO<sub>2</sub>eq) – is a benchmark indicator for controlling the environmental impacts of operations, which represents an essential global objective for any company with a consistent CSR strategy. The criterion used covers Scope 1 and Scope 2 emissions, i.e., direct emissions from owned or controlled sources (from stationary combustion sources using gas and fuel oil for example) and indirect emissions from the generation of purchased energy (such as electricity and district heating), for all of the Group's offices, points of sale, warehouses, live performance venues and other sites out of which it operates. These emissions correspond to elements over which the Group has real operational leverage and on which it therefore focuses as part of its CSR strategy.

The third criterion – the proportion of Group employees with an employee representative – is a key indicator of the quality of the Group's labour relations, which is an essential component of its CSR policy. It fits seamlessly with the clear principle of seeking a permanent balance between financial targets and HR goals. Through this employee representative system, the Group can build up a steady flow of constructive dialogue with its people, notably

concerning working conditions, the goals and challenges of the Group, and the business transformations it needs to undertake.

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

For each of the four criteria, the minimum and target performance levels have been set in such a way as to create demanding and consistent objectives that factor in (i) the Group's historic performance over the previous three years and (ii) changes in its operating environment, notably in connection with its strategic refocusing.

These same four criteria could be used for the variable remuneration allocated in respect of 2020, to avoid overly frequent reviews in accordance with the recommendations of the Afep-Medef Code. However, as indicated in the remuneration policy, the system may evolve as from 2021 following the Group's creation of an internal composite index tracking its CSR performance.

**Qualitative portion of annual variable compensation**

In light of the achievements described below, Arnaud Lagardère deemed that the targets set for 2019 had largely been met with solid input from the executive corporate officers.

Based on this assessment, Arnaud Lagardère decided to apply a factor of **1.25** (versus 1.25 in 2018 and 1.166 in 2017). Consequently, the **variable portion of Pierre Leroy and Thierry Funck-Brentano's remuneration based on qualitative criteria amounted to €250,000** (€200,000 x 1.25) **each**.

**Rollout of the Group's strategic plan**

The Group actively pressed ahead with its strategic refocusing in 2019, with the completion of significant transactions, both in terms of disposals and acquisitions.

During the year it sold its radio assets in South Africa, the digital businesses Boursier.com, Plurimedia and BilletReduc.com, its entire Television division (Mezzo, Gulli, Canal J, MCM, etc. and the related advertising sales brokerages), and its interests in Disney Hachette Presse and l'Usine.

The year 2019 saw another decisive step in the Group's strategic refocusing, with the signature of an agreement to sell Lagardère Sports to H.I.G., which will enable it to concentrate all its efforts and resources on expanding Lagardère Publishing and Lagardère Travel Retail.

Concerning reinvestments, the acquisition of International Duty Free (IDF) – Belgium's leading Travel Retail operator, also present in Luxembourg and Kenya – has cemented Lagardère Travel Retail's positions as the world's third-largest airport Duty Free operator and the European leader in Travel Retail.

Lastly, the Group carried out a number of major financing transactions in 2019, with over €250 million raised through a *Schuldscheindarlehen* private placement and a €500 million bond issue. The success of both of these issues confirms the confidence that investors have in the Group's strategy.

### Quality of governance and management

The priority objectives assigned to executive corporate officers in this second area were related to:

1. rolling out an organisational action plan to meet the Group's strategic imperatives;
2. safeguarding the Group's reputation and assets by implementing Compliance programmes.

Concerning the first of these priority objectives, in 2019, the executive corporate officers actively carried out an in-depth restructuring of the Group's Corporate departments, in terms of their roles and responsibilities, positioning and resources, and in light of the Group's strategic refocusing and fast-changing operating environment.

The preparatory stage of this restructuring was completed in early December 2019, with a presentation given to Lagardère SCA's Supervisory Board on the restructuring plan, which is mainly based on:

- ▶ refocusing the Corporate departments on the mandatory tasks inherent to Lagardère SCA's role as a listed holding company;

- ▶ optimising the Corporate departments' organisational structure and support function costs;
- ▶ increasing the resources and remit of the Finance, CSR and Risk/Compliance functions, in view of their significant oversight roles.

The "organisational" section of the restructuring plan – which will lead to the elimination of around 30% of the Corporate departments' workforce – will be implemented on a staggered basis throughout the course of 2020 as part of a downsizing plan validated by the Group's employee representative bodies and the French labour authorities in early December 2019. The "governance" section of the restructuring plan – which mainly involves increasing the resources and remit of the above-mentioned oversight functions through the creation of dedicated committees and a review of existing internal procedures – will also be carried out in 2020.

Regarding the second priority objective, in 2019 the Compliance Department continued its activities working closely alongside the divisions and Corporate departments.

Concerning anti-corruption measures, a corruption risk mapping process was carried out in 2019 and the divisions and Corporate departments were informed about the requirements set by the French Anti-Corruption Agency, as well as the risks related to the cross-border application of US anti-corruption laws.

In addition, several training sessions were given on international economic sanctions, the instruction guide for division-level Compliance teams was rewritten, and reporting procedures were reinforced.

Lastly, the executive corporate officers oversaw the development of an alert reporting system set up under the aegis of the Compliance department, in co-ordination with the Corporate departments and an external service provider. This stand-alone, online system, is part of the Group's overall ethics and compliance approach. It constitutes an alternative channel for reporting information that can then be relayed worldwide about highly varied subjects, such as anti-corruption measures, human rights, and environmental protection.

### Summary of variable remuneration allocated in respect of 2019

The application of the quantitative and qualitative criteria described above led to the allocation of the following variable remuneration in respect of 2019, which will be paid in 2020 provided it is approved at the Annual General Meeting to be held on 5 May 2020.

	Weighting (% of benchmark amount)	Benchmark amount (in euros)	Maximum amount (% of fixed remuneration)	Achievement rate applied to the benchmark amount	Variable remuneration	
					Amount to be paid (in euros)	(% of fixed remuneration)
<b>Arnaud Lagardère</b>						
Quantitative financial criteria	75%	1,050,000	150%	<b>1.12</b>	1,176,000	103.09%
Quantitative non- financial CSR criteria	25%	350,000		<b>1.125</b>	393,750	34.52%
Qualitative criteria	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>100%</b>	<b>1,400,000</b>	<b>150%</b>		<b>1,569,750</b>	<b>137.61%</b>
<b>Pierre Leroy</b>						
Quantitative financial criteria	50%	300,000		<b>1.12</b>	336,000	22.79%
Quantitative non- financial CSR criteria	16.67%	100,000		<b>1.125</b>	112,500	7.63%
Qualitative criteria	33.33%	200,000	<b>25%</b>	<b>1.25</b>	250,000	16.96%
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>75%</b>		<b>698,500</b>	<b>47.39%</b>
<b>Thierry Funck-Brentano</b>						
Quantitative financial criteria	50%	300,000		<b>1.12</b>	336,000	27.86%
Quantitative non- financial CSR criteria	16.67%	100,000		<b>1.125</b>	112,500	9.33%
Qualitative criteria	33.33%	200,000	<b>25%</b>	<b>1.25</b>	250,000	20.73%
<b>Total</b>	<b>100%</b>	<b>600,000</b>	<b>75%</b>		<b>698,500</b>	<b>57.92%</b>

### C) PERFORMANCE SHARE AWARDS

On 14 May 2019, under the new authorisation granted by the Company's shareholders in the twelfth resolution of the 10 May 2019 Annual General Meeting, **Pierre Leroy and Thierry Funck-Brentano were each awarded 32,000 rights to free shares**, representing 0.024% of the total number of shares

making up the Company's share capital and a **carrying amount of €524,480 under IFRS** (corresponding to 23.86% and 27.18%, of their fixed and variable remuneration respectively for the previous year).

This award was made under the terms and conditions set out below, in accordance with the framework described above.

- **Vesting period:** the shares will vest on 15 May 2022, provided that the beneficiaries are still executive corporate officers of Lagardère SCA at midnight on 14 May 2022 (the "presence condition").
- **Performance conditions** to be met for the period from 2019 through 2021:

Weighting (% of shares allocated to the objective)	Criteria	Minimum performance level	Target performance level	Vesting proportions
40%	<b>Average annual increase in Group recurring operating profit (Guidance definition – Recurring EBIT)</b>	+3,3%	+5%	Vesting on a straight-line proportionate basis of 0% to 100% of the shares between the trigger level and the target level.
20%	<b>Cumulative amount of free cash flow excluding growth capex</b>	€613 million	€900 million	Vesting on a straight-line proportionate basis of 0% to 100% of the shares between the trigger level and the target level.
10%	<b>Lagardère SCA's average annual Total Shareholder Return ("TSR")</b> vs. the average annual TSR of a panel of 8 peer companies (Relx, Pearson, Mondadori, Bloomsbury, Dufry, Valora, WH Smith and Autogrill)	As this is a comparative criterion, the levels of the objectives for each portion will only be known and disclosed at the end of the reference period.		All shares vest if Lagardère SCA's average annual TSR is at least equal to the reference panel's average annual TSR. No shares vest if Lagardère SCA's average annual TSR is below the reference panel's average annual TSR.
10%	<b>Lagardère SCA's average annual TSR</b> vs. the average annual TSR of the other companies in the CAC Mid 60 index			
20%	<b>Overall proportion of female executive managers at end-2021</b> This objective is a key indicator of the Group's performance in terms of implementing its strategy of promoting diversity and gender balance, which is one of the five priority objectives in the Group's CSR roadmap defined between the Company and all of its stakeholders. This key indicator will be measured, audited by an independent third party and published each year in the Group's non-financial performance statement.	42%	45%	Vesting on a straight-line proportionate basis of 0% to 100% of the shares between the trigger level and the target level.

- **Holding period of vested shares:** all of the shares must be held by their beneficiaries until 15 May 2024 (inclusive). Following this holding period, 50% of the shares must still be held in accordance with the Group's remuneration policy.

#### D) BENEFITS IN KIND – BUSINESS EXPENSES

In accordance with the remuneration policy, the executive corporate officers each had the use of a company car in 2019.

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

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

**E) SUPPLEMENTARY PENSION PLAN**

In 2019, the executive corporate officers had conditional rights to receive a future pension annuity under a supplementary pension plan governed by article L 137-11 of the French Social Security Code, as described in the remuneration policy.

In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained

at 31 December 2019, and no additional benefits will be accrued under the plan as from that date.

No amounts were paid to the executive corporate officers under this plan in 2019. At 31 December 2019, the estimated amounts of the future pension annuities were €686,490 for Arnaud Lagardère and Pierre Leroy, and €669,144 for Thierry Funck-Brentano.

**F) EXTRAORDINARY REMUNERATION**

The executive corporate officers did not receive any extraordinary remuneration for 2019.

**2.5.2.2 SUMMARY TABLES**

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

the new presentation format recommended in the Afep-Medef Code and AMF recommendation nos. 2012-02 and 2009-16.

**Arnaud Lagardère**

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2018		Fiscal year 2019	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	1,140,729	1,140,729	<b>1,140,729</b>	<b>1,140,729</b>
Variable remuneration	1,628,200 <sup>(1)</sup>	1,304,800	<b>1,569,750<sup>(1)</sup></b>	<b>1,628,200</b>
Extraordinary remuneration	-	-	-	-
Remuneration allocated for offices held	-	-	-	-
Benefits in kind	18,616	18,616	<b>18,616</b>	<b>18,616</b>
<b>Total</b>	<b>2,787,545</b>	<b>2,464,145</b>	<b>2,729,095</b>	<b>2,787,545</b>

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

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

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

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

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

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

Total remuneration and benefits, share options and performance shares granted		
	Fiscal year 2018	Fiscal year 2019
Remuneration allocated for the year (details in previous table)	2,787,545	<b>2,729,095</b>
Value of multi-annual variable remuneration allocated during the year	None	<b>None</b>
Value of share options granted during the year	None	<b>None</b>
Value of performance share rights granted during the year	None	<b>None</b>
<b>Total</b>	<b>2,787,545</b>	<b>2,729,095</b>

## Pierre Leroy

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2018		Fiscal year 2019	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	1,474,000	1,474,000	1,474,000	1,474,000
Variable remuneration	723,900 <sup>(1)</sup>	629,400	698,500 <sup>(1)</sup>	723,900
Extraordinary remuneration	-	-	-	-
Remuneration allocated for offices held	-	-	-	-
Benefits in kind	16,281	16,281	16,281	16,281
<b>Total</b>	<b>2,214,181</b>	<b>2,119,681</b>	<b>2,188,781</b>	<b>2,214,181</b>

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

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

► **Performance share rights granted during the year:** 32,000.

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

Performance share rights granted in 2019						
Authorisation of AGM	Date of the plan	No. of share rights awarded	Carrying amount under IFRS	Vesting date	Date of availability	Performance conditions
10 May 2019	14 May 2019	32,000	524,480	15 May 2022	16 May 2024 <sup>(1)</sup>	<sup>(2)</sup>

(1) Applicable to 50% of the vested shares. The shares corresponding to the remaining 50% are subject to additional holding conditions (see section 2.5.3.1.C above).

(2) See section 2.5.3.1.C above.

► **Performance shares that became available during the year:** 18,506.

The mandatory holding period for the 37,012 performance shares which vested for Pierre Leroy on 1 April 2017 under the 26 December 2013 plan ended on 1 April 2019. According to the holding rules defined by the Supervisory Board in accordance with the applicable laws and with the recommendations of the Afep-Medef Corporate Governance Code, half of these shares are still subject to holding periods based on the valuation of Pierre Leroy's share portfolio and the termination of his duties.

► **Performance shares that vested during the year:** 23,590.

Of the 32,000 performance shares granted to Pierre Leroy under the 9 May 2016 plan, 23,590 shares (i.e., 73.72%) vested on

10 May 2019, following the application of the performance conditions provided for in the decision to award the shares.

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

- average annual growth rate for Group recurring operating profit between 2016 and 2018:  $(13.51\% + 6.74\% + 2.14\%) / 3 = +7.46\%$ ;
- achievement rate of objective  $(7.46 - 5.14) / (7.79 - 5.14) = 87.55\%$ .

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

- average annual amount of net cash from operating activities of fully consolidated companies between 2016 and 2018:  $(458 + 318 + 455) = \text{€}410 \text{ million}$ ;
- achievement rate of objective  $(410 - 313) / (475 - 313) = 59.88\%$ .

Total remuneration and benefits, share options and performance shares granted		
	Fiscal year 2018	Fiscal year 2019
Remuneration allocated for the year (details in previous table)	2,214,181	2,188,781
Value of multi-annual variable remuneration allocated during the year	None	None
Value of share options granted during the year	None	None
Value of performance share rights granted during the year	599,040	524,480
<b>Total</b>	<b>2,813,221</b>	<b>2,713,261</b>



**Thierry Funck-Brentano**

Summary of gross remuneration and benefits (before deducting social security contributions)				
	Fiscal year 2018		Fiscal year 2019	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	1,206,000	1,206,000	<b>1,206,000</b>	<b>1,206,000</b>
Variable remuneration	723,900 <sup>(1)</sup>	629,400	<b>698,500<sup>(1)</sup></b>	<b>723,900</b>
Extraordinary remuneration	-	-	-	-
Remuneration allocated for offices held	-	-	-	-
Benefits in kind	13,644	13,644	<b>13,644</b>	<b>13,644</b>
<b>Total</b>	<b>1,943,544</b>	<b>1,849,044</b>	<b>1,918,144</b>	<b>1,943,544</b>

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

- ▶ **Share options granted during the year:** none.
- ▶ **Performance share rights granted during the year:** 32,000.
- ▶ **Share options exercised during the year:** none.

Performance share rights granted in 2019						
Authorisation	Date du plan	No. of share rights awarded	Carrying amount under IFRS	Vesting date	Date of availability	Performance conditions
10 May 2019	14 May 2019	32,000	524,480	15 May 2022	16 May 2024 <sup>(1)</sup>	<sup>(2)</sup>

(1) Applicable to 50% of the vested shares. The shares corresponding to the remaining 50% are subject to additional holding conditions (see section 2.5.3.1.C above).

(2) See section 2.5.3.1.C above.

▶ **Performance shares that became available during the year:** 27,759.

The mandatory holding period for the 37,012 performance shares which vested for Thierry Funck-Brentano on 1 April 2017 under the 26 December 2013 plan ended on 1 April 2019. According to the holding rules defined by the Supervisory Board in accordance with the applicable laws, a quarter of these shares are still subject to a holding period until the termination of Thierry Funck-Brentano's duties. Since the valuation of Thierry Funck-Brentano's share portfolio is higher than one year of his fixed and variable remuneration, the holding period established in accordance with the recommendations of the Atep-Medef Corporate Governance Code and applicable to a quarter of the shares, no longer applies.

▶ **Performance shares that vested during the year:** 23,590.

Of the 32,000 performance shares granted to Thierry Funck-Brentano under the 9 May 2016 plan, 23,590 shares (i.e., 73.72%

of the total shares granted) vested on 10 May 2019, following the application of performance conditions provided for in the decision to award the shares:

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

- ▶ average annual growth rate for Group recurring operating profit between 2016 and 2018:  $(13.51\% + 6.74\% + 2.14\%)/3 = +7.46\%$ ;
- ▶ achievement rate of objective  $(7.46 - 5.14)/(7.79 - 5.14) = 87.55\%$ .

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

- ▶ average annual amount of net cash from operating activities of fully consolidated companies between 2016 and 2018:  $(458 + 318 + 455) = \text{€}410 \text{ million}$ ;
- ▶ achievement rate of objective  $(410 - 313)/(475 - 313) = 59.88\%$ .

Total remuneration and benefits, share options and performance shares granted		
	Fiscal year 2018	Fiscal year 2019
Remuneration allocated for the year (details in previous table)	1,943,544	<b>1,918,144</b>
Value of multi-annual variable remuneration allocated during the year	None	<b>None</b>
Value of share options granted during the year	None	<b>None</b>
Value of performance share rights granted during the year	599,040	<b>524,480</b>
<b>Total</b>	<b>2,542,584</b>	<b>2,442,624</b>

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

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

(1) Share purchase plans only.

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

(1) After adjustment on 6 July 2003.

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

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

**Historical information on performance share awards**

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

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

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

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

(\*\*\*\*) Applicable to 50% of the vested shares. The shares corresponding to the remaining 50% are subject to additional holding conditions (see section 2.5.2.2.B above).

## Other information

Executive corporate officers	Employment contract <sup>(1)</sup>		Supplementary pension plan		Indemnities or benefits receivable or likely to be receivable due to a termination or change of function		Indemnities receivable under a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Arnaud Lagardère Position: Managing Partner Date of appointment: } Renewed 11 March 2015 End of term of office: } for a six-year period		X	X <sup>(2)</sup>			X		X
Pierre Leroy Position: Managing Partner <sup>(a)</sup> Date of appointment: End of term of office:		N/A <sup>(1)</sup>	X <sup>(2)</sup>			X <sup>(3)</sup>		X
Thierry Funck-Brentano Position: Managing Partner <sup>(b)</sup> Date of appointment: End of term of office:		N/A <sup>(1)</sup>	X <sup>(2)</sup>			X <sup>(3)</sup>		X

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

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

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

(2) See section 2.5.2.2.C B) above.

(3) See section 2.5.2.2.C C) above.

## Fair pay ratios

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

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

In addition to this legal requirement, the revised version of the Afep-Medef Code issued in January 2020 recommends that listed companies with a low number of employees publish this information based on a scope that is more representative of their overall payroll or workforce in France. The Code states that 80% of a company's workforce in France can be considered as a representative scope. Lagardère SCA has less than ten employees, not including the executive corporate officers who are employed by Lagardère Capital & Management.

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

The tables below show the **remuneration paid or allocated during each year from 2015 to 2019** (i.e., including variable remuneration allocated in respect of the preceding year).

The remuneration amounts presented include – for the executive corporate officers as well as employees – the fixed portions, variable portions, and extraordinary remuneration paid during the year stated, on a gross basis.

In accordance with Afep-Medef guidelines, they also include **free shares awarded during the year**, valued in accordance with IFRS. The value stated corresponds to their grant-date valuation and therefore does not actually represent the value of the shares that will effectively be delivered at the end of the vesting period, which will depend on (i) the Company's share price on the delivery date and (ii) the achievement rate of the applicable performance conditions. For the Company's seven free share plans for which the vesting period has expired, the average delivery rate of shares to executive corporate officers was 86.62%. For the 2015, 2016 and 2017 plans, this rate was 64%. In addition, the value of the shares at their delivery date still does not always reflect an amount paid to executive corporate officers since the shares cannot in any case be sold before the end of a minimum period of two years, and one-half of the shares remains subject to further holding periods.

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

Finally, the performance criteria presented are the financial criteria applied for calculating the executive corporate officers' annual variable remuneration. Directly correlated with the Group's strategy, these criteria – which are key indicators of its financial health and intrinsic performance – correspond to:

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

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

## Arnaud Lagardère

	2015	2016	2017	2018	2019
Remuneration paid or allocated during the year (in €)	2,404,929	2,851,822	2,851,822	2,445,529	<b>2,768,929</b>
Average remuneration paid or allocated during the year to Company employees (in €)	314,730	444,525	415,095	328,974	<b>352,018</b>
Ratio vs. the average remuneration of Company employees	8	6	7	7	<b>8</b>
Median remuneration paid or allocated during the year to Company employees (in €)	258,937	269,460	255,548	251,902	<b>260,472</b>
Ratio vs. the median remuneration of Company employees	9	11	11	10	<b>11</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	53,097	55,032	57,659	56,468	<b>56,098</b>
Ratio vs. the average remuneration of Group employees in France	45	52	49	43	<b>49</b>
Median remuneration paid or allocated during the year to Group employees in France <sup>(*)</sup> (in €)	48,462	50,985	51,771	50,535	<b>50,745</b>
Ratio vs. the median remuneration of Group employees in France <sup>(*)</sup>	50	56	55	48	<b>55</b>
Year-on-year increase in Group recurring operating profit (in %)	+2.769	+8.84	+13.5	+6.74	<b>+2.14</b>
Net cash from operating activities of fully consolidated companies in year Y-1 (in €m)	210	523.7	457.9	318.2	<b>482.5</b>

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

**Pierre Leroy**

	2015	2016	2017	2018	2019
Remuneration paid or allocated during the year (in €)	2,776,100 <sup>(*)</sup>	2,837,485 <sup>(*)</sup>	2,959,280 <sup>(*)</sup>	2,702,440 <sup>(*)</sup>	<b>2,722,380<sup>(*)</sup></b>
Average remuneration paid or allocated during the year to Company employees (in €)	314,730	444,525	415,095	328,974	<b>352,018</b>
Ratio vs. the average remuneration of Company employees	9	6	7	8	<b>8</b>
Median remuneration paid or allocated during the year to Company employees (in €)	258,937	269,460	255,548	251,902	<b>260,472</b>
Ratio vs. the median remuneration of Company employees	11	11	12	11	<b>10</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	53,097	55,032	57,659	56,468	<b>56,098</b>
Ratio vs. the average remuneration of Group employees in France	52	52	51	48	<b>49</b>
Median remuneration paid or allocated during the year to Group employees in France <sup>(**)</sup> (in €)	48,462	50,985	51,771	50,535	<b>50,745</b>
Ratio vs. the median remuneration of Group employees in France <sup>(**)</sup>	42	44	43	42	<b>43</b>
Year-on-year increase in Group recurring operating profit (in %)	+2.769	+8.84	+13.5	+6.74	<b>+2.14</b>
Net cash from operating activities of fully consolidated companies in year Y-1 (in €m)	210	523.7	457.9	318.2	<b>482.5</b>

(\*) Including 32,000 performance share rights valued in accordance with IFRS. The average overall delivery rate of shares awarded in 2015, 2016 and 2017 was 64%. Following delivery, the shares are in any case subject to a holding period of at least two years, and one-quarter of the shares are to be held until termination of his duties within the Group.

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

## M. Thierry Funck-Brentano

	2015	2016	2017	2018	2019
Remuneration paid or allocated during the year (in €)	2,508,100 <sup>(*)</sup>	2,569,485 <sup>(*)</sup>	2,681,280 <sup>(*)</sup>	2,434,440 <sup>(*)</sup>	<b>2,454,380<sup>(*)</sup></b>
Average remuneration paid or allocated during the year to Company employees (in €)	314,730	444,525	415,095	328,974	<b>352,018</b>
Ratio vs. the average remuneration of Company employees	8	6	6	7	<b>7</b>
Median remuneration paid or allocated during the year to Company employees (in €)	258,937	269,460	255,548	251,902	<b>260,472</b>
Ratio vs. the median remuneration of Company employees	10	10	11	10	<b>9</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	53,097	55,032	57,659	56,468	<b>56,098</b>
Ratio vs. the average remuneration of Group employees in France	47	47	47	43	<b>44</b>
Median remuneration paid or allocated during the year to Group employees in France <sup>(**)</sup> (in €)	48,462	50,985	51,771	50,535	<b>50,745</b>
Ratio vs. the median remuneration of Group employees in France <sup>(**)</sup>	37	39	38	36	<b>38</b>
Year-on-year increase in Group recurring operating profit (in %)	+2.769	+8.84	+13.5	+6.74	<b>+2.14</b>
Net cash from operating activities of fully consolidated companies in year Y-1 (in €m)	210	523.7	457.9	318.2	<b>482.5</b>

(\*) Including 32,000 performance share rights valued in accordance with IFRS. The average overall delivery rate of shares awarded in 2015, 2016 and 2017 was 64%. Following delivery, the shares are in any case subject to a holding period of at least two years, and one-quarter of the shares are to be held until termination of his duties within the Group.

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



### 2.5.2.3 APPROVAL OF THE COMPONENTS OF REMUNERATION PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO THE EXECUTIVE CORPORATE OFFICERS

Further to the Company's voluntary application of the strict legal framework introduced by the Order, the fixed, variable and extraordinary components making up the total remuneration

and benefits paid during or allocated in respect of 2019 to the executive corporate officers will, in accordance with article L.226-8-2, II of the French Commercial Code, be submitted to the approval of the Company's shareholders at the Annual General Meeting to be held on 5 May 2020.

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

#### Arnaud Lagardère

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€1,140,729	€1,140,729	► The gross amount of Arnaud Lagardère's annual fixed remuneration has not changed since 2009.
Annual fixed remuneration	€1,628,200 (amount allocated in respect of 2018, approved by 96.88% of the votes at the 10 May 2019 Annual General Meeting – 4 <sup>th</sup> resolution)	€1,569,750	<ul style="list-style-type: none"> <li>► This annual variable remuneration is based solely on (i) quantitative financial criteria (75% weighting) and non-financial CSR criteria (25% weighting).</li> <li>► The financial criteria are related to the Group's performance in 2019 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2019 and that generated in 2018) (see section 2.5.3.1 of the Universal Registration Document).</li> <li>► The non-financial CSR criteria are related to the Group's 2019 performance concerning its priority commitments under its Corporate Social Responsibility policy (e.g., proportion of female executive managers, Scope 1 and 2 CO<sub>2</sub> emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.5.3.1 of the Universal Registration Document).</li> <li>► The achievement rates are applied to a benchmark amount of (i) €1,050,000 for the financial criteria (75% weighting) and (ii) €350,000 for CSR non-financial criteria (25% weighting).</li> <li>► Arnaud Lagardère's annual variable remuneration may not exceed 150% of his annual fixed remuneration.</li> <li>► Based on the achievement rates attained in 2019 (1.12 for the financial criteria and 1.125 for the non-financial CSR criteria), Arnaud Lagardère's annual variable remuneration amounted to 137.61% of his annual fixed remuneration in 2019.</li> </ul>
Multi-annual cash-settled variable remuneration	N/A	N/A	► Arnaud Lagardère does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	N/A	► Arnaud Lagardère has not received any share options, performance shares, or other grants of securities since his appointment as Managing Partner in 2003.
Extraordinary remuneration	N/A	N/A	► Arnaud Lagardère did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	N/A	N/A	► Arnaud Lagardère was not entitled to and did not receive any directors' fees for 2019.
Benefits in kind		€18,616	► This corresponds to Arnaud Lagardère's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Benefits linked to non-competition agreements	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Arnaud Lagardère is not entitled to any benefits of this nature.</li> </ul>
Supplementary pension plan	€0	€0	<ul style="list-style-type: none"> <li>▶ Arnaud Lagardère is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Capital &amp; Management for members of the Executive Committee.</li> <li>▶ The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement.</li> <li>▶ Arnaud Lagardère's pension benefit entitlements vested at a rate of 1.75% of the benchmark remuneration per year of membership of the plan.</li> <li>▶ The benchmark remuneration corresponds to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion, and cannot exceed 50 times the annual ceiling used to calculate social security contributions (corresponding to a maximum of €2,026,200 in 2019)).</li> <li>▶ As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension cannot exceed 35% of the benchmark remuneration.</li> <li>▶ In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained at 31 December 2019, and no additional benefits will be accrued under the plan as from that date.</li> <li>▶ At 31 December 2019, the estimated amount of Arnaud Lagardère's future annuity, determined in accordance with the applicable regulations, is €686,490, representing approximately 24.63% of his total gross remuneration (fixed and variable) paid in 2019.</li> <li>▶ No benefits were due or paid to Arnaud Lagardère under this plan for 2019.</li> </ul>

**Pierre Leroy**

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€1,474,000	€1,474,000	► The gross amount of Pierre Leroy's annual fixed remuneration has not changed since 2011.
Annual fixed remuneration	€723,900 (amount allocated in respect of 2018, approved by 95.90% of the votes at the 10 May 2019 Annual General Meeting – 5 <sup>th</sup> resolution)	€698,500	<p>► Pierre Leroy's annual variable remuneration includes:</p> <ul style="list-style-type: none"> <li>- a portion based on quantitative criteria, as follows: <ul style="list-style-type: none"> <li>• financial criteria (75% weighting) related to the Group's performance in 2019 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2019 and that generated in 2018) (see section 2.5.3.1 of the Universal Registration Document);</li> <li>• non-financial CSR criteria (25% weighting) related to the Group's 2019 performance concerning its priority commitments under its Corporate Social Responsibility policy (e.g., proportion of women executives, Scope 1 and 2 CO<sub>2</sub> emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.5.3.1 of the Universal Registration Document);</li> </ul> </li> <li>- a qualitative portion, corresponding to a set of priority targets related to two domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan and the quality of governance and management (see section 2.5.3.1 of the Universal Registration Document);</li> </ul> <p>► Pierre Leroy's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €400,000 and (ii) a "qualitative portion" benchmark amount of €200,000, representing an overall benchmark amount of €600,000. Consequently, 66.66% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria.</p> <p>► Pierre Leroy's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 25% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 33% of his maximum annual variable remuneration.</p> <p>► Based on the achievement rates attained in 2019 (1.12 for the financial criteria, 1.125 for the non-financial CSR criteria and 1.25 for the qualitative criteria), Pierre Leroy's annual variable remuneration amounted to 47.39% of his annual fixed remuneration in 2019.</p>
Multi-annual cash-settled variable remuneration	N/A	N/A	► Pierre Leroy does not receive any multi-annual cash-settled variable remuneration.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Share options, performance shares and other grants of securities	N/A	€524,480	<ul style="list-style-type: none"> <li>▶ In 2019 Pierre Leroy was awarded 32,000 rights to performance shares, representing 0.024% of the Company's share capital.</li> <li>▶ These performance shares will vest after three years, in 2022, provided that (i) Pierre Leroy is still an executive corporate officer of the Company on the vesting date, and (ii) the following performance conditions have been met for the period from 2019-2021: <ul style="list-style-type: none"> <li>- for 40% of the shares awarded: 5% average annual growth rate for Group recurring operating profit. The vesting trigger rate would be a growth rate of 3.3%, and for growth rates between 3.3% and 5% the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated);</li> <li>- for 20% of the shares awarded: cumulative free cash flow excluding growth capex of €900 million. The vesting trigger amount would be €613 million, and for cumulative amounts between €613 million and €900 million the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated);</li> <li>- for 20% of the shares awarded: Lagardère SCA's average annual Total Shareholder Return (TSR) over the reference period compared against (i) the average annual TSR of a panel of eight competitor companies (Relx, Pearson, Mondadori, Bloomsbury, Dufry, Valora, WH Smith and Autogrill), for 10% of the shares awarded, and (ii) the average annual TSR of the other companies in the CAC Mid 60 index, also for 10% of the shares awarded. As this is a relative criterion, the target rates for each portion of shares awarded will only be known and communicated at the end of the reference period. For each portion, the shares will vest in full if Lagardère SCA's TSR during the reference period is at least equal to the reference panel's TSR and no shares will vest if Lagardère SCA's TSR is below the reference panel's TSR;</li> <li>- for 20% of the shares awarded: reaching a 45% proportion of female executive managers by 2021. The vesting trigger rate would be 42% and for percentages between 42% and 45%, the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated).</li> </ul> </li> <li>▶ Vested performance shares must be held for at least two years. Subsequently, a quarter of the shares must be held until Pierre Leroy has built up a portfolio of Lagardère shares whose value is at least equal to one year's worth of his remuneration, and another quarter must be held for as long as he is with the Group.</li> <li>▶ This performance share grant – which complied with the framework set by the Supervisory Board on 13 March 2019 – was carried out by the Managing Partners on 14 May 2019 using the authorisation given at the 10 May 2019 Annual General Meeting (12<sup>th</sup> resolution).</li> <li>▶ Pierre Leroy did not receive any share options in 2019 and was not granted any securities other than the above-described performance shares.</li> </ul>
Extraordinary remuneration	N/A	N/A	▶ Pierre Leroy did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	N/A	N/A	▶ Pierre Leroy was not entitled to and did not receive any directors' fees for 2019.
Benefits in kind		€16,281	▶ This corresponds to Pierre Leroy's potential personal use of a company car.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Benefits linked to taking up or terminating office	N/A	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€0	<ul style="list-style-type: none"> <li>► Pierre Leroy is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Capital &amp; Management for members of the Executive Committee.</li> <li>► The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement.</li> <li>► Pierre Leroy's pension benefit entitlements vested at a rate of 1.75% of the benchmark remuneration per year of membership of the plan.</li> <li>► The benchmark remuneration corresponds to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion, and cannot exceed 50 times the annual ceiling used to calculate social security contributions (corresponding to a maximum of €2,026,200 in 2019)).</li> <li>► As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension cannot exceed 35% of the benchmark remuneration.</li> <li>► In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained at 31 December 2019, and no additional benefits will be accrued under the plan as from that date.</li> <li>► At 31 December 2019, the estimated amount of Pierre Leroy's future annuity, determined in accordance with the applicable regulations, is €686,490, representing approximately 31.23% of his total gross remuneration (fixed and variable) paid in 2019.</li> <li>► No benefits were due or paid to Pierre Leroy under this plan for 2019.</li> </ul>

## Thierry Funck-Brentano

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€1,206,000	€1,206,000	<ul style="list-style-type: none"> <li>▶ The gross amount of Thierry Funck-Brentano's annual fixed remuneration has not changed since 2011.</li> </ul>
Annual fixed remuneration	€723,900 (amount allocated in respect of 2018, approved by 95.90% of the votes at the 10 May 2019 Annual General Meeting – 5 <sup>th</sup> resolution)	€698,400	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano's annual variable remuneration includes:               <ul style="list-style-type: none"> <li>– a portion based on quantitative criteria, as follows:                   <ul style="list-style-type: none"> <li>• financial criteria (75% weighting) related to the Group's performance in 2019 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2019 and that generated in 2018) (see section 2.5.3.1 of the Universal Registration Document);</li> <li>• non-financial CSR criteria (25% weighting) related to the Group's 2019 performance concerning its priority commitments under its Corporate Social Responsibility policy (e.g., proportion of women executives, Scope 1 and 2 CO<sub>2</sub> emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.5.3.1 of the Universal Registration Document);</li> </ul> </li> <li>– a qualitative portion, corresponding to a set of priority targets related to two domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan and the quality of governance and management (see section 2.5.3.1 of the Universal Registration Document).</li> </ul> </li> <li>▶ Thierry Funck-Brentano's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €400,000 and (ii) a "qualitative portion" benchmark amount of €200,000, representing an overall benchmark amount of €600,000. Consequently, 66.66% of the annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria.</li> <li>▶ Thierry Funck-Brentano's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 25% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 33% of his maximum annual variable remuneration.</li> <li>▶ Based on the achievement rates attained in 2019 (1.12 for the financial criteria, 1.125 for the non-financial CSR criteria and 1.25 for the qualitative criteria), Thierry Funck-Brentano's annual variable remuneration amounted to 57.92% of his annual fixed remuneration in 2019.</li> </ul>
Multi-annual cash-settled variable remuneration	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano does not receive any multi-annual cash-settled variable remuneration.</li> </ul>

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Share options, performance shares and other grants of securities	N/A	€524,480	<ul style="list-style-type: none"> <li>▶ In 2019, Thierry Funck-Brentano was awarded 32,000 rights to performance shares, representing 0.024% of the Company's share capital.</li> <li>▶ These performance shares will vest after three years, in 2022, provided that (i) Thierry Funck-Brentano is still an executive corporate officer of the Company on the vesting date, and (ii) the following performance conditions have been met for the period from 2019-2021: <ul style="list-style-type: none"> <li>- for 40% of the shares awarded: 5% average annual growth rate for Group recurring operating profit. The vesting trigger rate would be a growth rate of 3.3%, and for growth rates between 3.3% and 5% the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated);</li> <li>- for 20% of the shares awarded: cumulative free cash flow excluding growth capex of €900 million. The vesting trigger amount would be €613 million, and for cumulative amounts between €613 million and €900 million the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated);</li> <li>- for 20% of the shares awarded: Lagardère SCA's average annual Total Shareholder Return (TSR) over the reference period compared against (i) the average annual TSR of a panel of eight competitor companies (Relx, Pearson, Mondadori, Bloomsbury, Dufry, Valora, WH Smith and Autogrill), for 10% of the shares awarded, and (ii) the average annual TSR of the other companies in the CAC Mid 60 index, also for 10% of the shares awarded. As this is a relative criterion, the target rates for each portion of shares awarded will only be known and communicated at the end of the reference period. For each portion, the shares will vest in full if Lagardère SCA's TSR during the reference period is at least equal to the reference panel's TSR and no shares will vest if Lagardère SCA's TSR is below the reference panel's TSR;</li> <li>- for 20% of the shares awarded: reaching a 45% proportion of female executive managers by 2021. The vesting trigger rate would be 42% and for percentages between 42% and 45%, the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated).</li> </ul> </li> <li>▶ Vested performance shares must be held for at least two years. Subsequently, a quarter of the shares must be held until Thierry Funck-Brentano has built up a portfolio of Lagardère shares whose value is at least equal to one year's worth of his remuneration, and another quarter must be held for as long as he is with the Group.</li> <li>▶ This performance share grant – which complied with the framework set by the Supervisory Board on 13 March 2019 – was carried out by the Managing Partners on 14 May 2019 using the authorisation given at the 10 May 2019 Annual General Meeting (12<sup>th</sup> resolution).</li> <li>▶ Thierry Funck-Brentano did not receive any share options in 2019 and was not granted any securities other than the above-described performance shares.</li> </ul>
Extraordinary remuneration	N/A	N/A	▶ Thierry Funck-Brentano did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	N/A	N/A	▶ Thierry Funck-Brentano was not entitled to and did not receive any directors' fees for 2019.
Benefits in kind		€16,281	▶ This corresponds to Thierry Funck-Brentano's potential personal use of a company car.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Benefits linked to taking up or terminating office	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano is not entitled to any benefits of this nature.</li> </ul>
Benefits linked to non-competition agreements	N/A	N/A	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano is not entitled to any benefits of this nature.</li> </ul>
Supplementary pension plan	€0	€0	<ul style="list-style-type: none"> <li>▶ Thierry Funck-Brentano is a beneficiary of the defined benefit supplementary pension plan set up by Lagardère Capital &amp; Management for members of the Executive Committee.</li> <li>▶ The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement.</li> <li>▶ Thierry Funck-Brentano's pension benefit entitlements vested at a rate of 1.75% of the benchmark remuneration per year of membership of the plan.</li> <li>▶ The benchmark remuneration corresponds to the average gross annual remuneration over the last five years (fixed and variable up to a maximum of 100% of the fixed portion, and cannot exceed 50 times the annual ceiling used to calculate social security contributions (corresponding to a maximum of €2,026,200 in 2019)).</li> <li>▶ As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension cannot exceed 35% of the benchmark remuneration.</li> <li>▶ In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained at 31 December 2019, and no additional benefits will be accrued under the plan as from that date.</li> <li>▶ At 31 December 2019, the estimated amount of Thierry Funck-Brentano's future annuity, determined in accordance with the applicable regulations, is €669,144, representing approximately 34.67% of his total gross remuneration (fixed and variable) paid in 2019.</li> <li>▶ No benefits were due or paid to Thierry Funck-Brentano under this plan for 2019.</li> </ul>



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

**AFR**

The purpose of this chapter is to present (i) the remuneration policy for the members of the Company's Supervisory Board and (ii) the components of the total remuneration and benefits paid during or allocated in respect of 2019 to these members. This remuneration

policy and the components of the remuneration packages will be submitted for shareholder approval at the Annual General Meeting to be held on 5 May 2020.

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

In accordance with the new legal framework introduced by the Order, the remuneration policy applicable to members of the Supervisory Board was drawn up by the Supervisory Board at its meeting on 28 February 2020, based on the proposals set out by the Appointments, Remuneration and CSR Committee at its meeting on 25 February 2020. The components of remuneration for members of the Supervisory Board for 2020 are determined, allocated, or decided in this context.

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

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

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

The allocation criteria for this remuneration, applicable as from 2020, are as follows. These rules apply to all members of the Supervisory Board, including the members representing Group employees who will be appointed in 2020:

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

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

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

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

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

However, in accordance with the applicable legal provisions, the members of the Supervisory Board representing Group employees who will be appointed in 2020, will hold employment contracts with the Company or one of its subsidiaries and therefore receive remuneration corresponding to their position (salary and, where applicable, any incentives, profit sharing, variable remuneration and/or free shares).

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

The policy implemented translates into remuneration whose aggregate amount set by the Company's shareholders has not changed since 2001, and takes into account members' actual attendance at Supervisory Board and Board Committee meetings in determining a weighted variable portion. This policy therefore ensures a measured, balanced and equitable package that is fully aligned with the corporate and long-term interests of the Company.

In accordance with the second paragraph of article L.226-8-1, II of the French Commercial Code, the Supervisory Board may decide to make an exception to the remuneration policy by modifying the criteria applicable to the overall fees or by allocating an additional portion to one or more members in consideration for the completion of specific *ad hoc* missions. Any such temporary exception would be made public and justified, notably with regard to the Group's corporate and long-term interests.

### 2.6.2 TOTAL REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019

This section notably includes, with regard to the members of the Supervisory Board, the information referred to in article L.225-37-3 of the French Commercial Code.

The tables provided in this section show the remuneration based on the new presentation format recommended in the Afep-Medef Code and AMF recommendation nos. 2012-02 and 2009-16.

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

### 2.6.2.1 MEMBERS OF THE SUPERVISORY BOARD

The allocation criteria for the former "attendance fees" that applied in 2018 (paid in 2019) and 2019 (paid in 2020) were different to those set out above in the remuneration policy.

Each member of the Supervisory Board received one basic portion, with members of the Audit Committee and the Appointments, Remuneration and CSR Committee receiving twice the basic

portion, and the Chairman of the Supervisory Board and the Committee Chairmen receiving one additional portion. The basic portion of attendance fees was equal to the total attendance fees (€700,000, as set by the General Meeting on 10 May 2011) divided by the total number of portions to which Board members were entitled. The variable portion of the fees, determined based on actual attendance at meetings, represented 60% of the total amount received.

(in euros)	Amount paid in 2019 in respect of 2018	Amount allocated in 2019 in respect of 2020
Nathalie Andrieux	58,721.70	<b>63,926.94</b>
Jamal Benomar	6,524.63 <sup>(1)</sup>	<b>21,308.98<sup>(1)</sup></b>
Martine Chêne	15,659.12	<b>21,308.98</b>
Georges Chodron de Courcel	50,053.26	<b>13,850.84</b>
François David	117,443.41	<b>127,853.88</b>
Xavier de Sarrau	97,869.51 <sup>(1)</sup>	<b>106,544.90<sup>(1)</sup></b>
Yves Guillemot	19,573.90	<b>18,112.63</b>
Pierre Lescure	43,025.30	–
Jean-Claude Magendie	4,567.24	–
Soumia Malinbaum	58,721.70	<b>63,926.94</b>
Hélène Molinari	58,721.70	<b>63,926.94</b>
Gilles Petit	–	<b>41,552.51</b>
François Roussely	17,616.51	<b>5,327.25</b>
Aline Sylla-Walbaum	58,721.70 <sup>(1)</sup>	<b>63,926.94<sup>(1)</sup></b>
Susan M. Tolson	19,573.90 <sup>(1)</sup>	<b>21,308.98<sup>(1)</sup></b>
Patrick Valroff	58,721.70	<b>63,926.94</b>
<b>Total</b>	<b>685,515.28<sup>(1)</sup></b>	<b>696,803.65<sup>(1)</sup></b>

(1) Less withholding tax.

### 2.6.2.2 CHAIRMAN OF THE SUPERVISORY BOARD

#### A) XAVIER DE SARRAU (CHAIRMAN OF THE SUPERVISORY BOARD UNTIL 4 DECEMBER 2019)

Following the recommendation by the Appointments, Remuneration and CSR Committee, adopted at its meeting of 20 October 2010 and approved by the Supervisory Board at its meeting of 14 December 2010, the Supervisory Board asked that the Managing Partners arrange for Xavier de Sarrau to receive an amount in addition to his attendance fees, in recognition of the many specific services he provided above and beyond his remit as Chairman of the Supervisory Board. These services are described in the corporate governance report (see section 2.4.3).

This fixed remuneration, which reflects a common market practice, was set at €240,000 per year with effect from 27 April 2010 when Xavier de Sarrau became Chairman of the Board, and has since remained unchanged.

In accordance with the recommendations of the Afep-Medef Code, Xavier de Sarrau did not receive any further variable remuneration, share or performance share options, or any further benefits.

Remuneration received				
	Fiscal year 2018		Fiscal year 2019	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Remuneration	97,869.51 <sup>(1)/(2)</sup>	92,715.23 <sup>(1)</sup>	106,544.90 <sup>(1)/(2)</sup>	97,869.51 <sup>(1)</sup>
Other remuneration	240,000 <sup>(1)</sup>	240,000 <sup>(1)</sup>	222,000 <sup>(1)/(3)</sup>	282,000 <sup>(1)/(4)</sup>
<b>Total</b>	<b>337,869.51<sup>(1)</sup></b>	<b>332,715.23<sup>(1)</sup></b>	<b>328,544.90<sup>(1)</sup></b>	<b>379,869.51<sup>(1)</sup></b>

(1) Less withholding tax.

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

(3) Annual remuneration of €240,000 allocated on a proportionate basis until 4 December 2019 – the date on which Xavier de Sarrau stepped down as Chairman of the Supervisory Board.

(4) This amount corresponds to (i) €222,000 in remuneration allocated in respect of 2019 and (ii) a residual amount of €60,000 corresponding to a quarter of his remuneration allocated in respect of 2018 which was not paid until 2019.

#### **B) PATRICK VALROFF (CHAIRMAN OF THE SUPERVISORY BOARD AS FROM 4 DECEMBER 2019)**

Patrick Valroff did not receive any other component of remuneration besides attendance fees, in accordance with the allocation rules set out in section 2.6.2.

Remuneration received				
	Fiscal year 2018		Fiscal year 2019	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Remuneration	58,721.70	55,629.14	63,926.94 <sup>(1)</sup>	58,721.70
Other remuneration	N/A	N/A	N/A	N/A
<b>Total</b>	<b>58,721.70</b>	<b>55,629.14</b>	<b>63,926.94</b>	<b>58,721.70</b>

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

#### **FAIR PAY RATIOS**

The methods used for calculating these ratios were the same as those used for the executive corporate officers. For further details, therefore, see section 2.5.3.2.

**Xavier de Sarrau (Chairman of the Supervisory Board until 4 December 2019)**

	2015	2016	2017	2018	2019
Remuneration paid or allocated during the year (in €)	353,636	336,551	332,105	332,715	<b>379,869</b>
Average remuneration paid or allocated during the year to Company employees (in €)	314,730	444,525	415,095	328,974	<b>352,018</b>
Ratio vs. the average remuneration of Company employees	1.1	0.7	0.8	1	<b>1.1</b>
Median remuneration paid or allocated during the year to Company employees (in €)	258,937	269,460	255,548	251,902	<b>260,472</b>
Ratio vs. the median remuneration of Company employees	1.3	1.2	1.3	1.3	<b>1.4</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	53,097	55,032	57,659	56,468	<b>56,098</b>
Ratio vs. the average remuneration of Group employees in France	6.6	6.1	5.7	5.9	<b>6.8</b>
Median remuneration paid or allocated during the year to Group employees in France <sup>(*)</sup> (in €)	48,462	50,985	51,771	50,535	<b>50,745</b>
Ratio vs. the median remuneration of Group employees in France <sup>(*)</sup>	7.3	6.6	6.4	6.6	<b>7.5</b>

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

**Patrick Valroff (Chairman of the Supervisory Board as from 4 December 2019)**

	2015	2016	2017	2018	2019
Remuneration paid or allocated during the year (in €)	68,181	57,931	55,263	55,629	<b>58,721</b>
Average remuneration paid or allocated during the year to Company employees (in €)	314,730	444,525	415,095	328,974	<b>352,018</b>
Ratio vs. the average remuneration of Company employees	0.2	0.1	0.1	0.1	<b>0.1</b>
Median remuneration paid or allocated during the year to Company employees (in €)	258,937	269,460	255,548	251,902	<b>260,472</b>
Ratio vs. the median remuneration of Company employees	0.2	0.2	0.2	0.2	<b>0.2</b>
Average remuneration paid or allocated during the year to Group employees in France (in €)	53,097	55,032	57,659	56,468	<b>56,098</b>
Ratio vs. the average remuneration of Group employees in France	1.3	1	1	1	<b>1</b>
Median remuneration paid or allocated during the year to Group employees in France <sup>(*)</sup> (in €)	48,462	50,985	51,771	50,535	<b>50,745</b>
Ratio vs. the median remuneration of Group employees in France <sup>(*)</sup>	1.4	1.1	1.1	1.1	<b>1.1</b>

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

## 2.6.3 APPROVAL OF THE COMPONENTS OF REMUNERATION PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO THE CHAIRMAN OF THE SUPERVISORY BOARD

Further to the Company's application of the strict legal framework introduced by the Order, the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2019 to the Chairman of the Supervisory Board will, in accordance with article L 226-8-2, II of the French Commercial Code, be submitted to the approval of the

Company's shareholders at the Annual General Meeting to be held on 5 May 2020.

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

### Xavier de Sarrau (Chairman of the Supervisory Board until 4 December 2019)

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€282,000 (this amount corresponds to (i) €222,000 in remuneration allocated in respect of 2019 and (ii) a residual amount of €60,000 corresponding to one-quarter of his remuneration allocated in respect of 2018 (97.74% of votes cast in favour at the 10 May 2019 General Meeting – 6 <sup>th</sup> resolution, which was not paid until 2019)).	€222,000	<ul style="list-style-type: none"> <li>▶ This remuneration – which does not constitute a salary and is subject to withholding tax – is awarded to Xavier de Sarrau on the recommendation of the Appointments, Remuneration and CSR Committee, as approved by the Supervisory Board, in return for the numerous specific tasks that he carries out in addition to and in connection with his duties as Chairman of the Supervisory Board.</li> <li>▶ The amount allocated in respect of 2019 corresponds to the proportion of his annual remuneration of €240,000 (unchanged since he took up office on 27 April 2010) calculated for the period until 4 December 2019 when he resigned as Chairman of the Supervisory Board.</li> </ul>
Annual fixed remuneration	N/A	N/A	▶ Xavier de Sarrau does not receive any annual variable remuneration.
Multi-annual cash-settled variable remuneration	N/A	N/A	▶ Xavier de Sarrau does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	N/A	▶ Xavier de Sarrau does not receive any share options, performance shares or grants of other securities.
Extraordinary remuneration	N/A	N/A	▶ Xavier de Sarrau has not received any extraordinary remuneration since he took up office on 27 April 2010.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Remuneration for offices held	€97,869.51 (amount allocated in respect of 2018, approved by 97.74% of the votes at the 10 May 2019 Annual General Meeting – 6 <sup>th</sup> resolution)	€106,544.90	<ul style="list-style-type: none"> <li>▶ This amount – which is subject to withholding tax – corresponds to the fees due to Xavier de Sarrau in 2020 for the duties he performed as Chairman of the Supervisory Board and the Audit Committee in 2019.</li> <li>▶ The aggregate amount of fees allocated among Supervisory Board members was set by the shareholders at €700,000 at the Annual General Meeting of 10 May 2011. In respect of 2019, each member of the Supervisory Board received a basic portion of fees. The following members also received an additional portion of fees corresponding to a multiple of the basic portion: members of the Board Committees (twice the basic portion) and the Chairman of the Supervisory Board and the Committee Chairmen (one basic portion). The basic portion of fees is equal to the total fees divided by the total number of portions to which Board members are entitled. The variable portion of the fees, which is determined based on actual attendance at meetings, represents 60% of the total amount received.</li> <li>▶ The amount due to Xavier de Sarrau for 2019 corresponds to five basic portions of fees based on an attendance rate of 100%.</li> </ul>
Benefits in kind	N/A	N/A	▶ Xavier de Sarrau does not receive any benefits in kind.
Benefits linked to taking up or terminating office	N/A	N/A	▶ Xavier de Sarrau is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	▶ Xavier de Sarrau is not entitled to any benefits of this nature.
Supplementary pension plan	N/A	N/A	▶ Xavier de Sarrau is not a member of a supplementary pension plan.

**Patrick Valroff (Chairman of the Supervisory Board as from 4 December 2019)**

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	N/A	N/A	▶ Patrick Valroff does not receive any annual fixed remuneration.
Annual fixed remuneration	N/A	N/A	▶ Patrick Valroff does not receive any annual variable remuneration.
Multi-annual cash-settled variable remuneration	N/A	N/A	▶ Patrick Valroff does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	N/A	▶ Patrick Valroff does not receive any share options, performance shares or grants of other securities.
Extraordinary remuneration	N/A	N/A	▶ Patrick Valroff did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	€58,721.70 (Amount allocated in respect of 2018)	€63,926.94	<p>▶ This amount corresponds to the fees due to Patrick Valroff in 2020 for the duties he performed as a member of the Supervisory Board and the Audit Committee in 2019.</p> <p>▶ The aggregate amount of fees allocated among Supervisory Board members was set by the shareholders at €700,000 at the Annual General Meeting of 10 May 2011. In respect of 2019, each member of the Supervisory Board received a basic portion of fees. The following members also received an additional portion of fees corresponding to a multiple of the basic portion: members of the Board Committees (twice the basic portion) and the Chairman of the Supervisory Board and the Committee Chairmen (one basic portion). The basic portion of fees is equal to the total fees divided by the total number of portions to which Board members are entitled. The variable portion of the fees, which is determined based on actual attendance at meetings, represents 60% of the total amount received.</p> <p>▶ The amount due to Patrick Valroff for 2019 corresponds to three basic portions of fees based on an attendance rate of 100%.</p>
Benefits in kind	N/A	N/A	▶ Patrick Valroff does not receive any benefits in kind.
Benefits linked to taking up or terminating office	N/A	N/A	▶ Patrick Valroff is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	▶ Patrick Valroff is not entitled to any benefits of this nature.
Supplementary pension plan	N/A	N/A	▶ Patrick Valroff is not a member of a supplementary pension plan.

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

AFR

### 2.7.1 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.

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

To the best of Lagardère SCA's knowledge, no member of the Supervisory Board or Managing Partner has entered into a service agreement with Lagardère SCA or any of its subsidiaries, with the exception, as regards the members of the Supervisory Board, of the legal advisory services contract between the Realyze law firm and the Group (see section 2.4.1), and as regards the

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

### 2.7.3 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.

### 2.7.4 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 2.4.2);
- ▶ no restriction has been accepted by the Managing Partners concerning the sale of their interests in the Company's share capital within a certain period of time, except for:
  - the rules for trading in Lagardère SCA shares defined in the laws and regulations in force or in the Confidentiality and Market Ethics Charter Applicable to Lagardère group Associates;
  - the mandatory holding period for performance share awards, pursuant to the rules set by the General Meeting and the Supervisory Board in accordance with the French Commercial Code and the recommendations of the Afep-Medef Corporate Governance Code (see the Special Report of the Managing Partners in section 2.9.9).

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



## 2.7.5 TRANSACTIONS IN LAGARDÈRE SCA SHARES BY THE CORPORATE OFFICERS AND THEIR RELATIVES DURING 2019

### 2.7.5.1 MANAGING PARTNERS

Pursuant to article L 621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*) the following transactions in the Company's shares carried out in 2019, as set out below, were disclosed by the Managing Partners or the parties related to them:

#### LAGARDÈRE CAPITAL & MANAGEMENT

Lagardère Capital & Management, a legal entity related to Arnaud Lagardère, sold 85,156 Lagardère SCA shares for a total gross amount of €2,002,402 between 3 April and 4 April 2019.

#### PIERRE LEROY

Pierre Leroy, Co-Managing Partner, sold 18,506 Lagardère SCA shares for a total gross amount of €433,264 on 8 April 2019.

A total of 23,590 Lagardère SCA shares vested for Mr Leroy on 10 May 2019 under the 9 May 2016 performance share plan.

#### THIERRY FUNCK-BRENTANO

A total of 23,590 Lagardère SCA shares vested for Thierry Funck-Brentano, Co-Managing Partner, on 10 May 2019 under the 9 May 2016 performance share plan.

### 2.7.5.2 SUPERVISORY BOARD

None.

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No other transactions in the Company's shares were reported in 2019 by any executive or non-executive corporate officer or any parties related to them.

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

AFR

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

LC&M's mission is carried out within the framework of the Service Agreement initially put in place in 1988, and currently in force between LC&M and Lagardère Ressources (formerly Matra Hachette Général), which is responsible for managing all of the Group's corporate resources.

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

The expenses incurred by LC&M in carrying out its mission, which form the basis for its remuneration, can be split into three main categories, which would in any event have been borne by the Lagardère group.

The first category, representing the majority of expenses (around 85%), includes remuneration payable to members of the Executive Committee, the associated payroll taxes and duties (tax on wages, levy on performance share awards) and the amount accrued to the provision for the supplementary pension plan.

In accordance with applicable regulations, details of remuneration are provided in the annual report published by the Company. In compliance with the recommendations of the Afep-Medef Code, since 2014 remuneration allocated to executive corporate officers has been submitted to the shareholders' vote and has always gathered very high approval rates. As from 2020, shareholders will also be asked to vote on the remuneration policy itself, in accordance with new binding "say-on-pay" legislation that the Company has chosen to adopt of its own volition.

The supplementary pension plan was set up in 2005 further to the authorisation of the Company's Supervisory Board. It is also described in detail in the annual report and like other components of remuneration, is subject to a shareholder vote.

The second category (around 10% of the expenses) corresponds to the work environment of Executive Committee members and includes for example offices, equipment and furniture, meeting rooms, secretarial services, official vehicles and telecommunications.

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

The third category (around 5% of the expenses) includes miscellaneous other expenses incurred by LC&M in carrying out its mission. These expenses essentially consist of (i) fees for administrative and accounting services billed by the Lagardère group (following a similar scheme to the one for work environment costs), (ii) fees for consultants used by LC&M, and (iii) taxes and duties inherent to LC&M's activities (property tax, etc.).

Hence, this contractual framework between the Group and LC&M brings together in a clear and transparent manner the expenses corresponding to the total cost of the Group's general management, and subjects them to the statutory monitoring procedure applicable to related-party agreements.

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

The work of the Audit Committee on the precise conditions and costs related to the Service Agreement and any changes therein, is presented to the Supervisory Board in connection with the review referred to in article L 225-88-1 of the French Commercial Code.

\* \* \*

In 2019, LC&M invoiced €19.18 million to the Group in respect of the Service Agreement, further to review by the Audit Committee on 20 February 2020 and by the Supervisory Board at its meeting of 28 February 2020, versus €21 million in 2018. Total payroll costs recognized by LC&M amounted to €15.6 million. These

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

correspond to gross salaries, plus the related taxes, payroll taxes and pension provisions. With the other expenses set out above (support costs invoiced by the Lagardère group for €1.9 million and other miscellaneous fees in an amount of €0.6 million, total

costs amounted to €18.18 million versus €20 million in 2018. The contractual margin came out at €1 million, unchanged from 2018. Operating profit after tax from the above agreement amounted to €0.7 million.

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

None – see section 2.7.2.

## 2.8.3 OTHER TRANSACTIONS

The other transactions with related parties in 2019 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 entered into on arm's length terms, signed in 2019, directly or via an intermediary,

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

## 2.9 SHARE CAPITAL

AFR

### 2.9.1 AMOUNT AND CHANGES IN THE SHARE CAPITAL

#### 2.9.1.1 AMOUNT

On 31 December 2019, the share capital of the Company amounted to €799,913,044.60 and was divided into 131,133,286 shares of par value €6.10 each, all ranking *pari passu* and fully paid.

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

**2.9.1.2 CHANGES IN THE SHARE CAPITAL OVER THE LAST SIX YEARS****Amounts**

Years	Type of transaction	Number of shares	Nominal amount (in euros)	Premium (in euros)	Total share capital (in euros)	Total number of shares
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
2018	Award of free shares to employees	384,440	2,345,084		802,258,128.60	131,517,726
	Capital reduction by cancelling shares	384,440	2,345,084		799,913,044.60	131,133,286
	Award of free shares to employees	97,800	596,580		800,509,624.60	131,231,086
	Capital reduction by cancelling shares	97,800	596,580		799,913,044.60	131,133,286
2019	Award of free shares to employees	59,000	359,900		800,272,944.60	131,192,286
	Capital reduction by cancelling shares	59,000	359,900		799,913,044.60	131,133,286
	Award of free shares to employees	522,012	3,184,273		803,097,317.80	131,655,298
	Capital reduction by cancelling shares	522,012	3,184,273		799,913,044.60	131,133,286

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

## 2.9.2 TREASURY SHARES

### 2.9.2.1 AMOUNT

At 31 December 2019, the Company directly held 2,276,966 of its own shares (par value: €6.10), representing 1.74% of the total share capital at that date. The total cost of these shares was €48,971,752.69.

Based on the average weighted market price of Lagardère SCA's shares in December 2019 (€19.56 per share) a provision of €4,444,714.86 was recorded, reducing the total carrying amount of treasury shares directly held by the Company to €44,527,037.83.

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

#### A) TRANSACTIONS CARRIED OUT IN 2019

In 2019 the Company used the authorisations given by the shareholders at the 3 May 2018 and 10 May 2019 Annual General Meetings to carry out the following transactions for the objectives provided for in the 2018/2019 share buyback programme:

##### 1. Market liquidity transactions

The Company has entered into a liquidity agreement, signed on 7 October 2008 and renewed yearly with Képler Cheuvreux. Under this agreement, in 2019 the Company:

- ▶ purchased 1,087,474 shares for a total price of €22,817,540.80 representing an average per-share price of €20.98;
- ▶ sold 989,974 shares for a total price of €21,712,016.01 representing an average per-share price of €21.93.

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

Under a share buyback mandate with an investment services provider, signed on 1 August 2019 and modified by various amendments dated 13 August, 2 September, 25 September and 1 October 2019, between 1 August and 10 October 2019, the Company purchased 1,500,000 of its own shares, which were allocated to the implementation of Lagardère SCA's performance share plans and free share plans, for a total price of €29,375,137.44, representing an average per-share price of €19.58. In accordance with the applicable regulations, the corresponding transactions were disclosed in press releases that can be accessed on the Group's corporate website at [www.lagardere.com](http://www.lagardere.com).

##### 3. Capital reduction

The Company cancelled 581,012 shares in 2019, within the scope of two capital reductions carried out concomitantly with capital increases through the issuance of new shares, in connection with the final vesting of free shares for Group employees and senior executives.

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

The Company reallocated 581,012 shares from the "award to employees" objective to the "capital reduction" objective.

#### B) POSITION AT 31 DECEMBER 2019

At the end of 2019, the 2,276,966 shares with a nominal value of €6.10 directly held by the Company and representing 1.74% of the share capital were allocated as follows:

- ▶ 1,946,966 shares allocated to the "award to employees" objective, representing 1.48% of the share capital, for a total cost of €42,491,287.67;

- ▶ 330,000 shares allocated to the objective "promotion of market liquidity", representing 0.25% of the share capital, for a total cost of €6,480,465.02.

#### C) TRANSACTIONS CARRIED OUT UNDER THE AUTHORISATION GRANTED BY THE ANNUAL GENERAL MEETING OF 10 MAY 2019

The Annual General Meeting of 10 May 2019 renewed the authorisation granted to the Managing Partners by the Annual General Meeting of 3 May 2018 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 remit shares upon the exercise of rights attached to securities giving access to the Company's share capital in any way whatsoever;
- ▶ to promote liquidity in the Company's shares under liquidity agreements that comply with a code of conduct recognised by the 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;
- ▶ and more generally, to carry out any transaction in accordance with applicable laws and regulations and in particular, with market practices accepted by the AMF.

This authorisation was granted for an 18-month period starting on 10 May 2019.

The corresponding share buyback programme was described in a press release issued on 15 May 2019 available on the Group's corporate website at [www.lagardere.com](http://www.lagardere.com).

Under this authorisation, the Company carried out the following transactions from 15 May 2019 to 29 February 2020:

##### 1. Market liquidity transactions

The Company purchased 1,377,071 shares for a total price of €26,807,119.42, i.e., an average per-share price of €19.47, and sold 946,571 shares for a total price of €19,675,658.94 on the market, i.e., an average per-share price of €20.79, under the liquidity agreement referred to above.

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

Under the share buyback mandate referred to above, the Company purchased 1,500,000 of its own shares, which were allocated to the implementation of Lagardère SCA's performance share plans and

free share plans, for an total price of €29,375,137.44, representing an average per-share price of €19.58.

### 3. Capital reduction

The Company has not cancelled any shares under this authorisation.

### 4. Partial reallocation for other uses

The Company has not reallocated any shares under this authorisation.

The Annual General Meeting of 5 May 2020 will be asked to renew this authorisation.

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

### 2.9.3.1 MARKETABLE SECURITIES

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

### 2.9.3.2 SHARE SUBSCRIPTION OPTIONS

At 31 December 2019, there were no subscription options outstanding which, if exercised, would result in the issue of an equivalent number of new shares, the last share subscription plan having expired in December 2007.

### 2.9.3.3 FREE SHARE AWARDS

The shares due to be remitted to employees and senior executives of the Company and of other companies related to it between 2020 and 2023 as a result of free share awards made in 2016, 2017, 2018 and 2019 will in principle be new shares created through a capital increase by capitalising reserves; the maximum number of shares to be created for that purpose would amount to 2,575,470 shares with a par value of €6.10 each, representing a maximum share capital dilution of 1.96% which will in principle be neutralised by cancelling an equivalent number of treasury shares, as has historically been the case.

## 2.9.4 AUTHORISED, UNISSUED SHARE CAPITAL

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

- ▶ to award existing or new shares free of consideration 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 10 May 2019 authorised the Managing Partners, for a period of 26 months:

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

- maximum nominal amount of capital increases which may result from authorised issues with pre-emptive subscription rights or with priority rights: €300 million;
- maximum authorised amount for debt issuances: €1,500 million;

- ▶ to increase the share capital by capitalising reserves, profits or issue premiums and award newly-issued free shares to shareholders (or increase the par value of existing shares) within the limit of: €300 million;
- ▶ to issue ordinary shares of the Company and/or securities giving access to the Company's share capital, without pre-emptive subscription rights, to be awarded to Group employees within the scope of corporate savings schemes and within the annual limit of 0.5% of the number of shares making up the share capital.

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

In 2019, only the authorisations relating to awards of free shares were used.

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

Type of authorisation	Term	Description	% share capital	Used in 2019
<b>Free share awards</b>	38 months			
<b>Free shares</b> (13 <sup>th</sup> resolution)		▶ Maximum nominal amount: approx. €3.2 million/year	<b>0.4%/year</b>	(A)
<b>Performance shares (excluding ECOs<sup>(1)</sup>)</b> (12 <sup>th</sup> resolution)		▶ Maximum nominal amount: approx. €3.2 million/year	<b>0.4%/year</b>	(B)
<b>ECO performance shares</b> (12 <sup>th</sup> resolution)		▶ Maximum nominal amount: approx. €0.2 million/year/ECO	<b>0.025%/year/ECO</b>	(C)
<b>Capital increase</b>	26 months	<b>Overall ceiling (maximum nominal amount) of debt securities: €1,500 million</b>		
<b>Capital increase with pre-emptive subscription rights<sup>(2)</sup></b> (15 <sup>th</sup> resolution)		<b>Overall ceiling (maximum nominal amount) of capital increases with priority rights: €300 million</b> ▶ Maximum nominal amount: €265 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Possibility for shareholders to have a pre-emptive right to subscribe for any securities not taken up by other shareholders ▶ Possibility for the Managing Partners to limit a capital increase to 75% of the original amount and to offer all or some of the unsubscribed shares on the market	<b>approx. 37.5%</b>  approx. 33%	None.
<b>Capital increases without pre-emptive subscription rights<sup>(2)</sup>:</b>		<b>Overall ceiling (excluding issues with priority rights): €80 million</b>	<b>approx. 10%</b>	
▶ Public offer with a priority right (16 <sup>th</sup> resolution)		<b>Overall ceiling (maximum nominal amount) of capital increases with pre-emptive subscription rights: €300 million</b> ▶ Maximum nominal amount: €160 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Priority right for a minimum of five trading days ▶ Maximum discount of 5%	approx. 20%	None.
▶ Public offer without a priority right (17 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Maximum discount of 5%	approx. 10%	None.
▶ Private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code (18 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million ▶ Maximum discount of 5%	approx. 10%	None.
▶ Public exchange offers (20 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million	approx. 10%	None.
▶ Contributions in kind (20 <sup>th</sup> resolution)		▶ Maximum nominal amount: €80 million ▶ Maximum nominal amount of debt securities: €1,500 million	approx. 10%	None.
<b>Greenshoe option<sup>(2)</sup></b> (19 <sup>th</sup> resolution)		▶ Issue of additional securities subject to the ceilings applicable to the original issue and not exceeding 15% of the original issue amount	15% of the original issue	None.
<b>Capital increases by capitalising reserves, profit and/or share premiums</b> (22 <sup>th</sup> resolution)		▶ <b>Maximum nominal amount: €300 million</b> ▶ Rights to fractions of shares neither transferable nor tradable	approx. 37.5%	None.
<b>Issue of securities for employees who are members of a corporate savings scheme</b> (23 <sup>rd</sup> resolution)		▶ <b>Annual ceiling: 0.5%</b> ▶ Maximum discount of 30% ▶ Possibility of awarding free shares in replacement of the discount and/or employer's contribution	0.5% per year	None.

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

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

(A) A free share award plan was set up by the Managing Partners on 10 October 2019 covering 79,000 rights to shares representing 0.06% of the share capital, for 35 beneficiaries.

(B) Two performance share plans were set up by the Managing Partners on 14 May and 10 October 2019 covering a total of 189,370 rights to shares representing 0.144% of the share capital, for 45 beneficiaries.

(C) A performance share plan was set up by the Managing Partners on 14 May 2019 covering a total of 64,000 rights to shares representing 0.048% of the share capital, for the two executive corporate officers representing the Managing Partners.



## 2.9.5 PLEDGES OF COMPANY SHARES

### 2.9.5.1 PLEDGES OF REGISTERED SHARES OF THE COMPANY AT 31 DECEMBER 2019

- ▶ Number of shareholders: 101
- ▶ Number of shares: 9,635,120 (7.35% of the share capital)

### 2.9.5.2 PLEDGES OF COMPANY SHARES REGISTERED IN THE NAMES OF SHAREHOLDERS HOLDING MORE THAN 0.5% OF THE SHARE CAPITAL AT 31 DECEMBER 2019

9,521,625 shares belonging to Lagardère Capital & Management (LC&M) (7.26% of the share capital) pledged to Crédit Agricole Corporate and Investment Bank under a financial instruments pledge agreement dated 28 September 2007, until reimbursement of the debt for which they constitute a guarantee.

## 2.9.6 STOCK MARKET INFORMATION

### 2.9.6.1 GENERAL INFORMATION

- ▶ Number of shares making up the share capital at 31 December 2019: 131,133,286
- ▶ Compartment A
- ▶ Number of shares listed on 31 December 2019: 131,133,286
- ▶ Listed on: Euronext Paris,

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

#### Dividends per share

Year of payment	Number of shares entitled to dividend	Dividend (euros per share)	Tax credit (euros per share)	Gross dividend (euros per share)	Total dividend (in millions of euros)
2015	128,294,419	1.30	None	1.30	166.78
2016	128,727,324	1.30	None	1.30	167.35
2017	129,438,203	1.30	None	1.30	168.27
2018	129,858,508	1.30	None	1.30	168.82
2019	130,566,820	1.30	None	1.30	169.74

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

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

	High for month (in euros)	Date of high	Low for month (in euros)	Date of low	Closing price (in euros)	Average opening price (in euros)	Average closing price (in euros)	Number of shares traded	Total amount traded (in millions of euros)	Number of trading days
<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	1 Feb.	23.46	06 Feb.	24.20	24.52	24.49	7,702,237	188.13	20
March	24.38	8 March	21.99	9 March	23.20	23.33	23.28	13,283,797	306.42	21
April	23.84	26 April	22.76	3 April	23.68	23.32	23.31	10,087,545	235.04	20
May	25.43	3 May	22.17	29 May	23.10	23.16	23.10	23,863,192	552.32	22
June	24.22	12 June	22.61	29 June	22.61	23.44	23.40	13,330,581	312.67	21
July	25.24	30 July	22.35	9 July	24.99	23.48	23.49	9,969,012	235.27	22
August	25.85	28 Aug.	24.34	15 Aug.	25.40	25.08	25.10	6,824,824	170.86	23
September	26.81	20 Sept.	24.67	6 Sept.	26.51	25.78	25.83	6,956,966	180.03	20
October	26.79	1 Oct.	23.60	29 Oct.	24.19	25.37	25.21	9,139,992	230.89	23
November	26.33	8 Nov.	24.04	1 Nov.	24.98	25.00	25.01	7,026,313	175.97	22
December	25.38	3 Dec.	20.99	20 Dec.	22.02	22.75	22.63	6,953,260	157.30	19
<b>2019</b>										
January	23.74	28 Jan.	21.36	7 Jan.	22.83	22.53	22.60	7,068,807	159.31	22
February	23.51	1 Feb.	22.01	12 Feb.	22.75	22.69	22.65	5,138,861	116.30	20
March	24.93	15 March	22.35	26 March	22.92	23.15	23.15	6,844,119	159.84	21
April	25.26	23 April	22.96	1 April	24.26	24.03	24.04	5,164,539	124.53	20
May	24.66	7 May	21.34	23 May	21.80	22.69	22.61	7,477,238	167.88	22
June	23.70	13 June	21.76	3 June	22.90	22.93	22.96	6,006,637	137.78	20
July	23.16	4 July	20.48	31 July	20.50	22.29	22.22	5,551,338	122.78	23
August	20.56	1 Aug.	18.59	15 Aug.	19.37	19.48	19.43	7,016,800	136.63	22
September	21.56	20 Sept.	18.85	3 Sept.	20.30	20.27	20.31	8,804,948	180.09	21
October	20.66	29 Oct.	19.15	8 Oct.	20.02	20.11	20.09	7,357,319	147.44	23
November	21.06	12 Nov.	18.93	6 Nov.	19.83	20.29	20.24	6,156,268	124.17	21
December	20.26	13 Dec.	18.80	20 Dec.	19.43	19.61	19.54	6,940,069	135.06	20
<b>2020</b>										
January	19.76	2 Jan.	17.15	31 Jan.	17.15	18.87	18.71	7,886,283	146.93	22
February	18.70	12 Feb.	15.45	28 Feb.	15.66	18.04	18.00	11,909,045	210.55	20

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

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

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

## 2.9.8 SHARE OWNERSHIP STRUCTURE - PRINCIPAL SHAREHOLDERS

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

Shareholders	At 31 December 2019				At 31 December 2018				At 31 December 2017			
	Number of shares	% of share capital	% of voting rights exercisable at General Meetings	% of theoretical voting rights	Number of shares	% of share capital	% of voting rights exercisable at General Meetings	% of theoretical voting rights	Number of shares	% of share capital	% of voting rights exercisable at General Meetings	% of theoretical voting rights
Non-French investors <sup>(*)</sup>	87,085,906	66.41	61.49	60.67	87,319,618	66.59	60.51	60.12	90,084,603	68.7	61.62	61.08
French institutional investors <sup>(**)</sup>	15,498,472	11.82	12.61	12.44	17,913,055	13.66	15.60	15.71	19,278,001	14.7	16.84	16.69
Lagardère Capital & Management <sup>(***)</sup>	9,521,625	7.26	11.03	10.88	9,606,781	7.33	10.93	10.78	9,694,807	7.39	11.08	10.98
Private investors	13,717,017	10.46	12.21	12.05	12,600,976	9.61	10.68	10.53	6,897,139	5.25	7.29	7.21
Employees and Group Savings Plan investment funds	2,967,170	2.26	2.66	2.63	2,603,977	1.98	2.28	2.25	3,620,695	2.76	3.17	3.14
Treasury shares	2,343,096	1.79	-	1.33	1,088,879	0.83	-	0.61	1,558,041	1.2	-	0.9
<b>Total</b>	<b>131,133,286</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>131,133,286</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>131,133,286</b>	<b>100</b>	<b>100</b>	<b>100</b>

(\*) Including Qatar Holding LLC and Amber Capital (see section 2.9.9.7 – Principal shareholders).

(\*\*) Including Caisse des dépôts et consignations (see section 2.9.9.7 – Principal shareholders).

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

Of the 2.26% of capital held by Group employees, 0.50% 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 2019, the share capital was held by 49,311 shareholders and intermediaries directly registered in the Company's register; intermediaries registered in the Company's register

representing shareholders who are not tax residents in France constitute the majority of the non-French investors listed in the table above, holding 66.41% of the shares making up the share capital.

With the exception of the increase in concert in the shareholding of Amber Capital UK LLP and Amber Capital Italia SGR SpA (see below), there has been no significant change in the breakdown of the Company's share capital or voting rights since 31 December 2019.

### 2.9.8.2 REGULATORY SHAREHOLDING THRESHOLD CROSSINGS

Date of AMF notice	Shareholder	Threshold crossed
22 February 2019	DNCA Finance	Below 5% of voting rights on 18 February 2019
26 February 2019	BlackRock, Inc.	Above 5% of share capital on 22 February 2019
27 February 2019	BlackRock, Inc.	Below 5% of share capital on 25 February 2019
28 February 2019	BlackRock, Inc.	Above 5% of share capital on 26 February 2019
8 March 2019	BlackRock, Inc.	Below 5% of share capital on 7 March 2019
11 March 2019	BlackRock, Inc.	Above 5% of share capital on 8 March 2019
19 March 2019	BlackRock, Inc.	Below 5% of share capital on 15 March 2019
28 October 2019	BlackRock, Inc.	Above 5% of share capital on 24 October 2019
4 November 2019	BlackRock, Inc.	Below 5% of share capital on 31 October 2019
7 November 2019	BlackRock, Inc.	Above 5% of share capital on 1 November 2019
7 November 2019	BlackRock, Inc.	Below 5% of share capital on 5 November 2019
15 November 2019	BlackRock, Inc.	Above 5% of share capital on 13 November 2019
20 November 2019	BlackRock, Inc.	Below 5% of share capital on 18 November 2019
25 November 2019	BlackRock, Inc.	Above 5% of share capital on 21 November 2019
25 November 2019	BlackRock, Inc.	Below 5% of share capital on 22 November 2019
29 November 2019	BlackRock, Inc.	Above 5% of share capital on 27 November 2019
2 December 2019	BlackRock, Inc.	Below 5% of share capital on 28 November 2019
4 December 2019	BlackRock, Inc.	Above 5% of share capital on 2 December 2019
4 December 2019	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 5% of share capital on 2 December 2019
5 December 2019	BlackRock, Inc.	Below 5% of share capital on 3 December 2019
13 December 2019	Amber Capital UK LLP	Above 5% of voting rights on 10 December 2019
9 January 2020	Caisse des dépôts et consignations	Above 5% of voting rights on 2 January 2020
12 February 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 10% of share capital on 5 February 2020
12 February 2020	Amber Capital UK LLP	Above 10% of share capital on 6 February 2020
28 February 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 10% of voting rights on 25 February 2020
28 February 2020	Amber Capital UK LLP	Above 10% of voting rights on 26 February 2020
2 March 2020	Amber Capital UK LLP and Amber Capital Italia SGR SpA	Above 15% of share capital on 28 February 2020
4 March 2020	Amber Capital UK LLP	Above 15% of share capital on 2 March 2020

### 2.9.8.3 ACTIONS IN CONCERT WITH OTHER GROUPS

The Company is aware of the following actions in concert that have been declared to it:

- ▶ action in concert by Arnaud Lagardère and his three companies, Lagardère SAS, LM Holding and Lagardère Capital & Management (LC&M);
- ▶ action in concert by Amber Capital UK LLP and Amber Capital Italia SGR SpA, acting on behalf of funds that they manage.

### 2.9.8.4 VOTING RIGHTS

Including the double voting rights attributed to shares registered in the name of the same shareholder for at least four years (see section 2.2.6.4) the total number of rights to vote at General Meetings at 31 December 2019 was 172,708,127.

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 2019 amounted to 175,051,223.

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., 172,708,127 at 31 December 2019.

The percentage of voting rights held by Supervisory Board members was 0.0077% at 31 December 2019 (0.0056% of the share capital).

### 2.9.8.5 PRINCIPAL SHAREHOLDERS

Arnaud Lagardère, personally and via his three companies, Lagardère SAS, LM Holding and Lagardère Capital & Management (LC&M), held 7.26% of the share capital and 11.03% of the rights to vote at General Meetings at 31 December 2019. In accordance with the Company's Articles of Association (see section 2.2.6.4), shares held by Arnaud Lagardère or the companies LC&M or Lagardère SAS 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 2019, 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 19.80% of the rights to vote at General Meetings. In accordance with the Company's Articles of Association, shares held by Qatar Holding LLC carry double voting rights.

At 31 December 2019, based on the shareholdings indicated in the latest declaration received by the Company prior to that date, Amber Capital UK LLP held 7.90% of the share capital and 6% of the rights to vote at General Meetings on behalf of the fund it manages, and

8.2% of the share capital and 6.28% of the rights to vote at General Meetings in concert with Amber Capital Italia SGR SpA.

To the best of the Company's knowledge, at 31 December 2019 no other shareholder held more than 5% of the share capital or voting rights directly or indirectly, alone or in concert.

On 9 January 2020, Caisse des dépôts et consignations (CDC) submitted a declaration to the Company and the French financial markets authority stating that it had raised its voting rights to above the 5% threshold and that at 2 January 2020, based on the shareholdings indicated in said threshold declaration, it held – directly and through CNP Assurances – 3.86% of the share capital and 5.38% of the voting rights.

Between 10 February and 3 March 2020, the action in concert by Amber Capital UK LLP and Amber Capital Italia SGR SpA submitted successive declarations to the Company and the French financial markets authority stating that it had exceeded 10% of the share capital, 10% of the voting rights and 15% of the share capital.

Based on the latest declaration, at 2 March 2020 Amber Capital UK LLP held 15.08% of the share capital and 11.30% of the voting rights on behalf of the fund it manages, and held 15.45% of the share capital and 11.58% of the voting rights in concert with Amber Capital Italia SGR SpA on behalf of the funds they manage.

### 2.9.8.6 GROUP TO WHICH THE COMPANY BELONGS

Lagardère SCA is the ultimate holding company of the Lagardère group. See the simplified Group organisation chart at 31 December 2019 in section 1.3.

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

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

Pursuant to the provisions of article L. 225-197-4 of the French Commercial Code (Code de commerce), please find below the required information related to transactions in free share awards carried out in 2019.

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

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

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

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

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

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

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

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

### GENERAL INFORMATION

#### Free share awards granted by the Company

##### 1. Vesting of free shares in 2019

In the course of 2019, 581,012 free shares vested. All of these shares were issued through a share capital increase carried out by capitalising reserves, which was followed by a share capital reduction by cancelling the same number of treasury shares, as part of the Company's share buyback programme.

59,000 shares vested on 1 April 2019 for beneficiaries of the 1 April 2015 performance share plan and for the heirs of a beneficiary under the 16 April 2018 free share plan;

522,012 shares vested on 10 May 2019 for beneficiaries of the 9 May 2016 free and performance share plans.

##### 2. Rights to free shares awarded in 2019

Based on the authorisation given by the General Meeting of 3 May 2016 (13<sup>th</sup> resolution), on 8 April 2019, the Managing Partners of the Company awarded 474,990 rights to free shares (representing 0.362% of the total number of shares comprising the share capital)

to 370 beneficiaries, comprising employees and executive corporate officers of the Company and entities related to it. The rights are subject to the vesting conditions described below.

*Three-year presence condition:*

The shares will only vest on the condition that at midnight on 8 April 2022, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

*Vesting periods:*

For beneficiaries residing in France for tax purposes, the shares will vest on 9 April 2022 following a three-year vesting period.

For beneficiaries residing overseas for tax purposes, the shares will vest on 9 April 2023 following a four-year vesting period.

*Holding periods:*

For beneficiaries residing in France for tax purposes, the holding period has been set at two years (i.e., the shares must be kept in a registered account until 9 April 2024 inclusive).

Beneficiaries residing overseas for tax purposes are not subject to a holding period once their shares have vested.

At the close of the mandatory holding periods, the shares will become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SCA in its Confidentiality and Market Ethics Charter.

*Value of the shares awarded:*

The value of the free shares awarded was €23.52 per share at the opening of trading on the Paris stock exchange on 8 April 2019. Determined in accordance with IFRS, this value was €19.03 per share for the shares vesting on 9 April 2022, and €17.85 per share for the shares vesting on 9 April 2023.

Based on the new authorisation given by the General Meeting of 10 May 2019 (12<sup>th</sup> resolution), on 14 May 2019, the Managing Partners of the Company awarded 232,370 rights to free performance shares (representing 0.177% of the total number of shares comprising the share capital) to 40 beneficiaries, comprising employees and executive corporate officers of the Company and entities related to it. The rights are subject to the vesting conditions described below.

*Performance conditions:*

*Objective relating to growth in Group recurring operating profit:*

Vesting for 40% of the shares awarded is subject to the average annual growth rate for Group recurring operating profit over the 2019-2021 period, as calculated based on the rules defined in the market guidance ("Group recurring EBIT") being equal to or more than 5%.

No shares will vest in the event that the average annual growth rate for Group recurring operating profit over the 2019-2021 period is less than 3.3%.

Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that the average annual growth rate for Group recurring operating profit over the 2019-2021 period is between 3.3% and 5%.

*Free cash flow objective:*

Vesting for 20% of the shares awarded is subject to the cumulative free cash flow excluding growth capex over the 2019-2021 period being equal to or more than €900 million.

No shares will vest in the event that cumulative free cash flow excluding growth capex over the 2019-2021 period is less than €613 million.

Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that free cash flow excluding

growth capex over the 2019-2021 period is between €613 million and €900 million.

*Total Shareholder Return (TSR) objective:*

Vesting for 20% of the shares awarded is subject to Lagardère SCA's Total Shareholder Return (TSR) over the 2019-2021 period relative to (i) the TSR of a panel of eight competitor companies (Relx, Pearson, Mondadori, Bloomsbury, Duffry, Valora, WH Smith, Autogrill), for 10% of the shares awarded, and (ii) the TSR of the other companies in the CAC Mid 60 index, also for 10% of the shares awarded.

As this is a relative criterion, the target rates for each portion of shares awarded will only be known and communicated at the end of the reference period.

For each of the aforementioned 10% of shares, the shares awarded will vest fully if the average annual TSR of Lagardère SCA over the 2019-2021 period is at least equal to the average annual TSR of the reference panel, and no shares will vest if the average annual TSR of Lagardère SCA is lower than the average annual TSR of the reference panel.

*Non-financial objective:*

Vesting for 20% of the shares awarded is subject to the overall proportion of women in senior management at the Lagardère group in 2021 being equal to or more than 45%. This objective, a key indicator used for the Group's strategy of promoting diversity and gender balance, will be assessed and audited by the independent third party and published within the scope of the Group's non-financial statement for 2021.

No shares will vest in the event the overall proportion of women in senior management in 2021 is less than 42%.

Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that the proportion of women in senior management in 2021 is between 42% and 45%.

*Three-year presence condition:*

The shares will only vest on the condition that at midnight on 14 May 2022, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

For information regarding the Company's executive corporate officers, please see the relevant section below.

*Vesting period:*

The shares will vest for all beneficiaries on 15 May 2022 following a three-year vesting period.

*Holding period:*

Beneficiaries are not subject to a holding period once their shares have vested.

At the close of the mandatory holding periods, the shares will become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SCA in its Confidentiality and Market Ethics Charter.

For information regarding the Company's executive corporate officers, please see the relevant section below.

*Value of the shares awarded:*

The value of the free shares awarded was €22.34 per share at the opening of trading on the Paris stock exchange on 14 May 2019. Determined in accordance with IFRS, the value of the free shares awarded represents €16.95 per share.

Based on the new authorisations given by the General Meeting of 10 May 2019 (12<sup>th</sup> and 13<sup>th</sup> resolutions), on 10 October 2019 the Managing Partners of the Company awarded 79,000 rights to free shares (representing 0.06% of the total number of shares comprising the share capital) to 35 beneficiaries, and 21,000 rights to free performance shares (representing 0.016% of the total number

of shares comprising the share capital) to seven beneficiaries, comprising employees and executive corporate officers of the Company and entities related to it. The rights are subject to the vesting conditions described below.

*Three-year presence condition:*

The shares will only vest on the condition that at midnight on 10 October 2022, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

*Vesting period:*

The shares will vest for all beneficiaries on 11 October 2022 following a three-year vesting period.

*Holding period:*

Beneficiaries are not subject to a holding period once their shares have vested.

### 3. Free share award plans in force in 2019

The main characteristics of all of the free share award plans which expired in 2019 or were in force as of 31 December 2019 are summarised in the table below.

Date of the plan	Total number of rights awarded	Total number of rights eliminated	Total number of shares definitively vested	Total number of outstanding rights
1 April 2015	444,440	6,000	438,440	-
9 May 2016	829,660	115,208	528,212	186,240
6 April 2017	817,660	7,650	5,000	805,010
16 April 2018	812,460	16,600	5,000	790,860
8 April 2019	474,990	10,000	-	464,990
14 May 2019	232,370	4,000	-	228,370
10 October 2019	100,000	-	-	100,000
<b>Total</b>	<b>3,711,580</b>	<b>159,458</b>	<b>971,652</b>	<b>2,575,470</b>

#### Free share awards granted by entities or groups related to the Company

In the course of 2019, no free shares were granted by entities or by groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or by entities controlled by Lagardère SCA within the meaning of article L. 233-16 of said code.

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

1. In 2019, Pierre Leroy and Thierry Funck-Brentano, employees of Lagardère Capital & Management (LC&M) and Lagardère SCA executive corporate officers, were each awarded 32,000 rights to performance shares under the 14 May 2019 plan described above (representing 0.024% of the total number of shares comprising the share capital and a carrying amount of €524,480 under IFRS).

In accordance with the recommendations in the Afep-Medef Corporate Governance Code, the performance shares were granted in compliance with the framework laid down by Lagardère SCA's Supervisory Board which, in its meeting on 13 March 2019, confirmed the terms and conditions governing the ceilings and holding conditions applicable to free shares awarded to the Managing Partners, and validated a new system for setting performance conditions, designed to include an external criterion and a CSR criterion and aimed at reflecting changes in the Company's profile as part of the Group's

At the close of the mandatory holding periods, the shares will become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SCA in its Confidentiality and Market Ethics Charter.

*Performance conditions:*

The 21,000 rights to performance shares are subject to the same performance conditions as those set for the 14 May 2019 plan.

*Value of the shares awarded:*

The value of the free shares awarded was €19.60 per share at the opening of trading on the Paris stock exchange on 10 October 2019. Determined in accordance with IFRS, the value of the free shares awarded was €15.70 per share, while the value of the performance shares was €14.49 per share.

strategic refocusing and continuing to apply best governance practices that meet the expectations of stakeholders.

In addition to the performance conditions described above, in order for the shares to fully vest, each executive corporate officer must still be in his position three years after the award (i.e., at midnight on 14 May 2022), except in cases of forced termination for reasons other than misconduct.

Upon expiry of the initial two-year holding period applicable from 15 May 2022 to 15 May 2024 inclusive to all vested shares, each executive corporate officer will be required to keep in a registered share account (*nominatif pur*) (i) 25% of the fully vested shares until such time as he ceases to be an executive corporate officer of Lagardère SCA, and (ii) an additional 25% of the fully vested shares until such time as the value of the Lagardère SCA shares held by the executive corporate officer concerned equals at least one year's worth of his gross fixed and variable salary (calculated each year based on a) the average share price for the month of December of the previous year and b) the executive corporate officer's fixed and variable salary for the past year, with the maximum potential amount used for the variable portion).

At the close of the mandatory holding periods, the corresponding shares will become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the black-out periods established by Lagardère SCA in its Confidentiality and Market Ethics Charter.

In accordance with the recommendations of the Afep-Medef Corporate Governance Code, Lagardère SCA's two executive corporate officers have formally undertaken not to hedge the risks

related to the value of the performance shares awarded to them until the end of the corresponding holding periods.

2. In 2019, Lagardère SCA's executive corporate officers were not awarded any other free shares by the entities and groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.
3. In 2019, Lagardère SCA's eight employees were awarded a total number of 38,120 rights to free shares (representing 0.029% of the total number of shares comprising the share capital and a carrying amount of €685,799.60 under IFRS), i.e., an average number of 4,765 rights to shares awarded per person (representing 0.004% of the total number of shares comprising the share capital and a carrying amount of €85,724.95 under IFRS).
4. In 2019, Lagardère SCA's employees were not awarded any free shares by the companies and groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or by companies that it controls within the meaning of article L. 233-16 of said Code.

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## 2.9.10 OPTIONS TO SUBSCRIBE FOR OR PURCHASE SHARES OF LAGARDÈRE SCA OR ITS RELATED ENTITIES

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No new options to subscribe for or purchase Lagardère SCA shares were awarded in 2019. There were no longer any share option plans in force, or which expired in 2019, within the aforementioned entities or groups.