

## 3



UNIVERSAL REGISTRATION DOCUMENT

3

# Corporate Governance

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# 3 CORPORATE GOVERNANCE

Organization of governance

Pursuant to Articles L. 225-37 et seq. of the French Commercial Code, we are presenting you with the following Report on Corporate Governance.

This entire report was approved by your Board of Directors at its meeting on February 23, 2022 as required by the provisions of the French Commercial Code.

The report was prepared by the Board Secretary in collaboration with the Human Resources Department, the Finance Department and the Internal Audit Department, and submitted to the Appointments and Compensation Committee. Various internal documents, including the bylaws, internal regulations and minutes of the meetings of the Board and its specialized committees were used to prepare this report. Current regulations, recommendations for corporate governance issued by the AMF, recommendations of the AFEP-MEDEF Code, and recommendations of the High Committee on Corporate Governance were all taken into consideration.

## 3.1 / Organization of governance

The Company is a French limited company (société anonyme) with a Board of Directors. A description of the main provisions of the bylaws and internal regulations of the Board of Directors and the Board's specialized committees can be found in section 3.2 "Operation of administrative and management bodies" of this Universal Registration Document.

### 3.1.1 / COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES \_\_\_\_\_

The Board is composed of Directors with broad and diversified experience, especially in corporate strategy, finance, economics, retail, industry, accounting, CSR and human resources, management and control of commercial or financial companies, and digital operations.

Under the bylaws, the term of office for a Director is set at four (4) years and is renewable. In order to avoid a mass renewal of members of the Board of Directors and encourage a smooth process for replacing Directors, Article 12 of the bylaws provides for the option of appointing Directors for a term of two or three years in order to implement or maintain the staggering of Board members' terms of office.

Pursuant to the provisions of Articles L. 22-10-3 and L. 225-18-1 of the French Commercial Code, it is specified that the composition of the Board complies with the principle of a balanced representation of men and women. Since May 23, 2019, therefore, women and men each represent 50% of the members of the Board of Directors, in accordance with the statutory rules on gender balance; the Directors representing employees are not

counted when calculating gender balance, in accordance with the legal provisions (situation in force on December 31, 2021).

The Board has created four committees to assist it in performing its duties: the Audit Committee, the Appointments and Compensation Committee, the Corporate, Environmental and Social Responsibility Committee and the Strategy Committee.

As at December 31, 2021, the Board was composed of 14 Directors, 2 of whom were the Directors representing employees and 11 of whom were independent.

A detailed breakdown of the Company's Board of Directors as of December 31, 2021 is set out in section 3.1.3 (including the number of Fnac Darty shares held by each Director and offices held in other companies, including listed companies).

The table below provides a summary presentation of the personal information and experience of the Directors, as well as their involvement in the corporate governance of Fnac Darty as of December 31, 2021.

Name Nationality Number of shares held Number of offices held in other listed companies	Gender	Age <sup>(a)</sup>	Office	Main position held	Start of 1 <sup>st</sup> term	Expiration of current term	Years on the Board	Board committees
Jacques Veyrat <i>French</i> 250 1	M	59	Chairman Independent Director	Chairman of Impala	2013	2022	9	Strategy Committee Chairman
Antoine Gosset-Grainville <i>French</i> 250 2	M	55	Vice-Chairman Independent Director	Founder of the law firm BDGS Associés	2013	2023	9	Appointments and Compensation Committee Chairman Strategy Committee Member
Daniela Weber-Rey <i>German</i> 250 0	F	64	Independent Director	Attorney	2017 <sup>(b)</sup>	2022	5	Corporate, Environmental and Social Responsibility Committee <sup>(c)</sup> Member
Sandra Lagumina <i>French</i> 250 0	F	54	Independent Director	Managing Director, Asset Management Meridiam	2017 <sup>(b)</sup>	2025	5	Audit Committee Member
Carole Ferrand <i>French</i> 250 0	F	51	Independent Director	Chief Financial Officer Capgemini	2013	2024	9	Audit Committee Chair Strategy Committee Member
Delphine Mousseau <sup>(e)</sup> <i>French</i> 258 0	F	50	Independent Director	Independent Consultant	2017 <sup>(b)</sup>	2024	5	Corporate, Environmental and Social Responsibility Committee Member
Nonce Paolini <i>French</i> 250 0	M	72	Independent Director	Corporate Director	2013	2025	9	Appointments and Compensation Committee Member
Brigitte Taittinger-Jouyet <i>French</i> 250 1	F	62	Independent Director	Corporate Director	2013	2024	9	Corporate, Environmental and Social Responsibility Committee Chair Appointments and Compensation Committee Member Strategy Committee Member
Caroline Grégoire Sainte Marie <i>French</i> 500 2	F	64	Independent Director	Corporate Director	2018	2025	4	Audit Committee <sup>(d)</sup> Member
Jean-Marc Janaillac <i>French</i> 250 2	M	68	Independent Director	Chairman of Hermina SAS	2019	2022	3	Corporate, Environmental and Social Responsibility Committee Member
Javier Santiso <i>French and Spanish</i> 250 0	M	52	Independent Director	Chairman and Chief Executive Officer of Mundi Ventures	2019	2023	3	

# 3 CORPORATE GOVERNANCE

## Organization of governance

Name	Nationality	Number of shares held	Number of offices held in other listed companies	Gender	Age <sup>(a)</sup>	Office	Main position held	Start of 1 <sup>st</sup> term	Expiration of current term	Years on the Board	Board committees
Enrique Martinez <i>Spanish</i> 85,189 0				M	50	Chief Executive Officer Director	Chief Executive Officer Fnac Darty	2019	2023	3	Strategy Committee Member
Franck Maurin <i>French</i> 724 0				M	66	Director representing employees	Product manager	2019	2023	3	Appointments and Compensation Committee Member
Julien Ducreux <i>French</i> 557 0				M	37	Director representing employees	Head of Digital Customer Experience <sup>(f)</sup>	2020	2024	2	

(a) As of December 31, 2021.

(b) Provisional appointments by the Board of Directors on December 15, 2017 to replace resigning members, ratified by the General Meeting of May 18, 2018.

(c) Member of the Corporate, Environmental and Social Responsibility Committee since February 23, 2021. Prior to this date, Daniela Weber-Rey was a member of the Audit Committee.

(d) Member of the Audit Committee since February 23, 2021. Prior to this date, Caroline Grégoire Sainte Marie was a member of the Corporate, Environmental and Social Responsibility Committee.

(e) Delphine Mousseau resigned as Director on January 26, 2022.

(f) Julien Ducreux has been Fnac Web Director since February 1, 2022.

### Directors representing employees

At the General Meeting of May 28, 2020, shareholders voted in favor of amending Article 12 of the bylaws of Fnac Darty in order to change the threshold requiring the appointment of a second Director representing employees to the Board, which has been reduced from twelve members of the Board of Directors to eight members by the provisions of the French Law No. 2019-486 of May 22, 2019 known as the "Loi Pacte". At the General Meeting of May 23, 2019, the shareholders had already voted in favor of amending Article 12 of the bylaws of Fnac Darty in order to allow for, under the conditions prescribed by law, the appointment of one or more Directors representing employees to the Board of Directors of Fnac Darty SA. This amendment to the bylaws has also brought the Company into compliance with the provisions of Article 8.1 of the AFEP-MEDEF Code as revised in January 2020, which recommends that "Directors representing employees elected or appointed in accordance with legal requirements sit on the Board of the Company that declares that it refers to the provisions of this Code in its Report on Corporate Governance".

The Director(s) representing employees are appointed in the following ways: when a single Director is to be appointed, the appointment is made by the trade union that has obtained the highest number of votes in the first round of the elections mentioned in Articles L. 2122-1 and L. 2122-4 of the French Labor Code in the Company and its direct or indirect subsidiaries, provided that the registered office of said trade union is on French

territory. When two Directors are to be appointed, the appointment is made by each of the two trade unions that obtained the highest number of votes in the first round of these elections.

The term of office of the Director representing the employees shall be four years.

If the position of a Director representing the employees becomes vacant for any reason, the vacant position shall be filled subject to the conditions set out in Article L. 225-34 of the French Commercial Code.

If the Company is no longer obliged to appoint a Director representing employees, the term (s) of office of the employee representative (s) on the Board shall end six months after the meeting at which the Board notes that the obligation has ceased to apply.

Given the number of members on the Board of Directors, which on the date of the General Meeting of May 28, 2020, was greater than 8, it was decided that the trade union that had obtained the second highest number of votes in the first round of those elections would appoint a Director representing employees within six months of that date. As such, the CFDT, the trade union that had obtained the second highest number of votes in the last workplace elections, notified the Board of Directors on October 14, 2020 of the appointment of Julien Ducreux as Director representing employees. The Board of Directors took note of this appointment at its meeting of October 21, 2020.

### Compliance with obligations and recommendations regarding the composition of the Board of Directors and executive corporate officers

Subject	Legal and regulatory provisions, bylaws and recommendations of the AFEP-MEDEF Code	Situation at Fnac Darty as of December 31, 2021
Gender balance	<b>Article L. 22-10-3 of the French Commercial Code:</b> <i>"The provisions of Article L. 225-18-1 relating to the minimum proportion of directors of each sex are applicable without any threshold requirement to companies whose shares are admitted to trading on a regulated market."</i>	Women make up 50% and men 50% of the members of the Board of Directors <sup>(a)</sup> .
Independence	<b>§ Section 9.3 of the AFEP-MEDEF Code:</b> <i>"The proportion of independent directors must be half the number of Board members in companies with dispersed capital and no controlling shareholders."</i>	92% of the members of the Board of Directors are independent <sup>(a)</sup> .
Age	<b>Article L. 225-19 par. 2 of the French Commercial Code and Article 12 of the bylaws:</b> <i>"The number of directors over seventy (70) years of age may not exceed one-third of the directors in office."</i>	With the exception of one Director, all the members of the Board of Directors are aged 70 years or under. Average age of Directors: 57.4 years.
	<b>Article L. 225-48 par. 1 of the French Commercial Code and Article 14 of the bylaws:</b> <i>"No one who is over sixty-five (65) years of age may be appointed Chairman of the Board of Directors."</i>	The Chairman of the Board of Directors is 59 years old.
	<b>Article L. 225-54 par. 1 of the French Commercial Code and Article 17 of the bylaws:</b> <i>"No one who is over sixty-five (65) years of age may be appointed Chief Executive Officer."</i>	The Chief Executive Officer is 50 years old.

(a) The Directors representing the employees are not taken into account in this calculation, in accordance with the legal provisions. Following the resignation of Delphine Mousseau from her term of office as Director on January 26, 2022, the proportion of women on the Board of Directors is 45% and the proportion of independent members is 91%.

### Diversity policy applied to the Board of Directors

In order to meet the Company's strategic challenges and to promote quality discussions, the Board seeks to maintain balance and complementarity between the various Directors' profiles. To do so, when appointing new Directors or reappointing existing Directors, it strives to ensure a diversity of backgrounds and expertise. These appointments and reappointments take into account the results of the work undertaken by the Appointments and Compensation Committee on the annual assessment of the Board and the Committees.

In addition to seeking a balanced representation of women and men and a high proportion of Independent Directors, the Board has focused on maintaining the number of Directors with international experience and Corporate Social Responsibility expertise.

In 2021, the reappointments of Caroline Grégoire Sainte Marie, Sandra Lagumina, and Nonce Paolini fulfilled these objectives.

# 3 CORPORATE GOVERNANCE

Organization of governance

## Changes in the membership of the Board of Directors and Committees in 2021 and early 2022

		Nature of change	Date of decision
<b>Board of Directors</b>	Caroline Grégoire Sainte Marie	Renewal of the Director's term of office	AGM of May 27, 2021
<b>Board of Directors</b>	Sandra Lagumina	Renewal of the Director's term of office	AGM of May 27, 2021
<b>Board of Directors</b>	Nonce Paolini	Renewal of the Director's term of office	AGM of May 27, 2021
<b>Board of Directors</b>	Delphine Mousseau	Resignation of the Director's term of office	Board meeting of January 26, 2022
<b>Appointments and Compensation Committee</b>	Franck Maurin	Appointment as Director representing employees on the Appointments and Compensation Committee	Board meeting of October 20, 2021
<b>Audit Committee</b>	Caroline Grégoire Sainte Marie	Appointment as member to replace Daniela Weber-Rey	Board meeting of February 23, 2021
<b>Corporate, Environmental and Social Responsibility Committee</b>	Daniela Weber-Rey	Appointment as member to replace Caroline Grégoire Sainte Marie	Board meeting of February 23, 2021

The reappointments helped to maintain the representation of skills and diversity on the Board of Directors and its committees.

## Diversity of expertise within the Board of Directors as of December 31, 2021

Name	Retail	International	Finance	Governance	Management/ Strategy	CSR	HR	Digital
Jacques Veyrat			X	X	X	X		
Antoine Gosset-Grainville			X	X	X		X	
Daniela Weber-Rey		X	X	X	X			
Sandra Lagumina			X	X	X			
Carole Ferrand	X		X		X			
Delphine Mousseau	X	X			X	X		X
Nonce Paolini	X			X	X		X	
Brigitte Taittinger-Jouyet		X			X	X	X	
Caroline Grégoire Sainte Marie		X	X		X	X		
Jean-Marc Janailac		X	X	X	X	X		
Javier Santiso		X	X		X			X
Enrique Martinez	X	X			X		X	
Franck Maurin	X							
Julien Ducreux	X							X

### 3.1.2 / COMPOSITION OF THE BOARD OF DIRECTORS: PROPOSALS SUBMITTED TO THE GENERAL MEETING OF MAY 18, 2022 \_\_\_\_\_

The composition of the Board of Directors is updated on an ongoing basis on the Company's website (<http://www.fnacdarty.com/group/governance/>).

The Board of Directors ensures the improvement and effectiveness of Fnac Darty's governance by regularly assessing its composition and the diversity, expertise and experience of its Directors. It also evaluates their availability, their full commitment to their duties, compliance with the proportional requirements for Independent Directors, the balanced representation of women and men, and the candidates best suited to the Company and the organizational and administrative processes of the Board.

In accordance with the internal regulations of the Board of Directors adopted at its meeting of April 17, 2013 and last updated at its meeting of October 20, 2021, the reappointment of Directors on a periodic-rotation basis had been established. In addition, in order to implement or maintain the staggering of Board members' terms of office, Article 12 of the bylaws provides the option of appointing Directors for a term of two or three years.

At its meeting of February 23, 2022, the Board of Directors:

- first obtained an opinion from the Appointments and Compensation Committee in preparation for the General Meeting of Shareholders;
- noted the work to evaluate the functioning of the Board and the specialized committees, and the recommendations made by the Directors with regard to the skills the Board wishes to see among its members;
- reviewed the terms of office of Directors set to expire at the next General Meeting, taking into consideration the expertise of the current Directors and the need to maintain the independence rate and comply with the rules on gender balance. It paid particular attention to the experience and knowledge of the Group's businesses that each Director must have in order to participate effectively in the work of the Board and its four committees, in accordance with the diversity policy adopted by the Board; and

- noted that the terms of office of three Directors (out of a total of 11, with the exception of the Directors representing the employees, who are not appointed by the General Meeting) expire at the end of the General Meeting scheduled to take place in 2022 and called to approve the financial statements for the previous year.

On the recommendation of the Appointments and Compensation Committee:

- the Board of Directors proposes that the shareholders approve the renewal of Jacques Veyrat's term of office as a Director, which is set to expire, for three years, i.e. until the General Meeting to be held in 2025 to approve the financial statements for the previous year;
- the Board of Directors proposes that the shareholders approve the renewal of Daniela Weber-Rey's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2026 to approve the financial statements for the previous year;
- the Board of Directors proposes that the shareholders approve the renewal of Jean-Marc Janaillac's term of office as a Director, which is set to expire, for four years, i.e. until the General Meeting to be held in 2026 to approve the financial statements for the previous year.

These reappointments would maintain the level of both international experience and Corporate Social Responsibility expertise.

If these proposals for renewals are approved by the General Meeting, the independence rate of the Board of Directors will be 91% and the share of women will be 45%.

Subject to the renewal of their terms of office, Daniela Weber-Rey and Jean-Marc Janaillac will be reappointed as members of the Corporate, Environmental and Social Responsibility Committee. The composition of the Board Committees would otherwise remain unchanged.

# 3 CORPORATE GOVERNANCE

Organization of governance

## 3.1.3 / OFFICES AND POSITIONS HELD BY THE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Listed below are the offices and positions held by the Directors in 2021 and for the last five years. To the Company's knowledge, the Directors comply with the rules governing the accumulation of directorships.

### Jacques Veyrat

59 years – French nationality

#### Independent Director and Chairman

#### Chairman of the Strategy Committee

4, rue Euler  
75008 Paris, France

*Date of first appointment: April 17, 2013*

*Term expiration date: Ordinary General Meeting called in 2022 to approve the financial statements for the previous year*

*Number of shares held: 250*

Graduate of the École polytechnique (class of 1983) and the Collège des ingénieurs (class of 1989), engineering degree from Ponts et Chaussées (class of 1988). Mr. Veyrat was appointed to the French Treasury Department, where he served as Secretary for the Inter-ministerial Committee on Industrial Reconstruction (Comité Interministériel de Restructuration Industrielle) for the period 1989–1991, then as Deputy General Secretary to the Paris Club from 1991 to 1993. From 1993 to 1995, he was technical advisor to the Minister for Infrastructure, Transport, Tourism and the Sea. In 1995, he joined the Louis Dreyfus Group as Chief Executive Officer of Louis Dreyfus Armateurs (1995-1998), then served as Chairman and Chief Executive Officer of Louis Dreyfus Communications, which became Neuf Cegetel (1998-2008) and then Chairman and Chief Executive Officer of the Louis Dreyfus Group (2008-2011). Since 2011, he has been Chairman of Impala.

#### Positions and offices held outside the Group at December 31, 2021

##### In France:

- Chairman of Impala SAS
- Non-voting Director, Louis Dreyfus Armateurs
- Director of GBL (Groupe Bruxelles Lambert)
- Non-voting Director, Neoen <sup>(a)</sup>
- Director of Iliad <sup>(a)</sup>

#### Offices and positions held over the past five years that are no longer held

- Member of the Supervisory Board of Eurazeo <sup>(a)</sup>
- Director of Direct Énergie
- Director of ID Logistics Group <sup>(a)</sup>
- Director of Imerys <sup>(a)</sup>
- Director of HSBC France
- Director of Nexity <sup>(a)</sup>

*(a) Listed French companies.*



**Antoine Gosset-Grainville**

55 years – French nationality

**Independent Director and Vice-Chairman of the Board**

Chairman of the Appointments and Compensation Committee

Member of the Strategy Committee

51, rue François-1<sup>er</sup>  
75008 Paris, France

*Date of first appointment: April 17, 2013*

*Term expiration date: Ordinary General Meeting called in 2023 to approve the financial statements for the previous year*

*Number of shares held: 250*

Antoine Gosset-Grainville is a graduate of the Institut d'Études Politiques de Paris, holds a Master's in Banking and Finance from the Université Paris-IX Dauphine and is a graduate of the École Nationale d'Administration (Léon Gambetta class). After being appointed to the General Inspectorate of Finance in 1993, he became Deputy General Secretary of the Economic and Financial Committee of the European Union in 1997. From 1999 to 2002, he was an economic and industrial affairs advisor for Pascal Lamy at the European Commission. Antoine Gosset-Grainville is an attorney with the Paris and Brussels Bars. In 2002, he became a partner at the law firm of Gide Loyrette Nouel. In 2007, he was appointed Deputy Director of the Office of Prime Minister François Fillon, where he was in charge of economic and financial matters. In March 2010, he became Chief Operating Officer of Caisse des Dépôts in charge of finance, strategy, investments and oversight of European and international activities, then interim Chief Executive Officer of the Caisse des Dépôts Group from February to July 2012. In April 2013, he founded the law firm BDGS Associés, where he is head of the Anti-trust and Regulatory Department.

**Positions and offices held outside the Group at December 31, 2021****In France:**

- Director of La Compagnie des Alpes <sup>(a)</sup>
- Founding partner of BDGS Associés
- Director of Axa SA <sup>(a)</sup>

**Offices and positions held over the past five years that are no longer held**

- Member of the Supervisory Committee of Schneider Electric <sup>(a)</sup>

*(a) Listed French companies.*

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## Daniela Weber-Rey

64 years – German nationality

### Independent Director

Member of the Corporate, Environmental and Social Responsibility Committee

Kronberger Strasse 49  
60323 Frankfurt am Main, Germany

*Date of first appointment: December 15, 2017*

*Term expiration date: Ordinary General Meeting called in 2022 to approve the financial statements for the previous year*

*Number of shares held: 250*

Holding a Master's Degree in Law from Columbia University, New York, and the Franco-German University (UFA), Daniela Weber-Rey was admitted to the Frankfurt Bar in Germany in 1984 and the New York Bar in 1986. For nearly 30 years, Daniela Weber-Rey was an attorney and partner with the legal firm of Pünder Volhard & Weber, followed by Clifford Chance. She also served as Counsel to various European organizations, and served for five years on the Board of Directors of BNP Paribas. She is a member of the Governmental Commission of the German Corporate Governance Code, a member of the Board of the European Corporate Governance Institute and a consultant at the Franco-German University (UFA). She is also a member of the Board of the Leibniz Institute for Financial Research SAFE and a non-executive member of the Board of HSBC Trinkaus & Burkhardt AG. Between 2013 and 2016, Daniela Weber-Rey worked at Deutsche Bank AG as Chief Governance Officer and Deputy Global Head of Compliance. She was made a Knight of the French Legion of Honor in 2010 for her commitment to Franco-German relations and an Officer of the Order of the Arts and Letters in 2021 for her commitment to cultural collaboration between Germany and France.

### Positions and offices held outside the Group at December 31, 2021

#### Abroad:

- Director and member of the Risk Committee and Audit Committee of HSBC Trinkaus & Burkhardt AG (Düsseldorf)
- Trustee of the European Corporate Governance Research Foundation (Brussels)
- Member of the Board of the Franco-German University (UFA)
- Member of the Board of the Leibniz Institute for Financial Research SAFE

### Offices and positions held over the past five years that are no longer held

- Member of the Board of Directors of BNP Paribas <sup>(a)</sup>
- Board Member of the European Corporate Governance Institute (Brussels)

(a) Listed French companies.

**Sandra Lagumina****54 years – French nationality****Independent Director****Member of the Audit Committee**

4, place de l'Opéra  
75002 Paris, France

*Date of first appointment: December 15, 2017*

*Term expiration date: Ordinary General Meeting called in 2025 to approve the financial statements for the previous year*

*Number of shares held: 250*

A graduate of the École nationale d'administration (ENA) and the Institut d'études politiques de Paris (Sciences Po), Sandra Lagumina also holds a Master of Common Market Law and of Public Law. She began her professional career with the French Council of State, where she held the position of Auditor and then Master of Petitions from 1995 to 1998. Sandra Lagumina then became Technical and Legal Advisor to the President of the National Assembly. In 2000, she joined the office of the Minister of the Economy, Finance and Industry as a technical adviser in charge of legal issues, public procurement and competition law. She was then appointed Deputy Director of Public and International Law in the Legal Affairs Department of the Ministry and a Judicial Officer of the Treasury (2002-2005). In 2005, she joined the Gaz de France group, where she held several positions in the areas of strategy and law. Between 2008 and 2013, she served as General Counsel for GDF Suez. In 2013, she was appointed Chief Executive Officer of GRDF (Gaz Réseau Distribution France). In 2016, Sandra Lagumina was named Deputy Chief Executive Officer of Engie and, in 2017, became Deputy CEO at Meridiam. She has been a member of the Board of the French Competition Authority for seven years.

**Positions and offices held outside the Group at December 31, 2021****In France:**

- Director and member of the Appointments and Compensation Committee of FNSP
- Member of the Board of the French Competition Authority
- Chair of Agence France-Muséums
- Member of Board of Directors of Space Able
- Elected to the Fondation pour la Comédie-Française's Academy of Qualified Professionals

**Offices and positions held over the past five years that are no longer held**

- Chief Operating Officer in charge of gas infrastructure and China at Engie
- Director of GRDF
- Director of GRT GAZ
- Director of Storengy
- Director of Elengy
- Director of GTT
- Director of Engie IT
- Chief Executive Officer of GRDF
- Director and member of the CSR Committee of Abertis
- Director and member of the Strategy Committee of Naval Group

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## Carole Ferrand

51 years – French nationality

### Independent Director

Chairman of the Audit Committee

Member of the Strategy Committee

11, rue de Tilsitt  
75017 Paris, France

*Date of first appointment: April 17, 2013*

*Term expiration date: Ordinary General Meeting called in 2024 to approve the financial statements for the previous year*

*Number of shares held: 250*

A graduate of the École des hautes études commerciales (1992), Carole Ferrand started her career at PricewaterhouseCoopers, where she was an Auditor and later a financial advisor in the Transaction Services Division. In 2000, she joined Sony France, the French subsidiary of the consumer and business electronics branch of the Sony Corporation Group, serving as Chief Financial Officer before becoming General Secretary in 2002. In 2011, she held the position of Chief Financial Officer of the Europacorp Group. Since January 2013 she has been Financing Director at Artémis Group, where she is in charge of managing strategic and financial support for certain investments. Since June 2018, she has been Chief Financial Officer of the Capgemini Group.

### Positions and offices held outside the Group at December 31, 2021

#### In France:

- Honorary Chair and Director of Terra Nova (non-profit association under French Law of 1901)
- Chair of Capgemini Ventures SAS
- Member of the Management Committee of June 21 SAS

#### Abroad:

- Director of Capgemini Solutions Canada Inc., Canada
- Director of Capgemini UK, Plc, United Kingdom
- Director of CGS Holdings Ltd, United Kingdom
- Director of Capgemini España SL, Spain
- Director of Altran Innovacion SIU, Spain

### Offices and positions held over the past five years that are no longer held

- Director of June 21 SAS
- Alternate for Alain de Marcellus, Capgemini Brasil SA, Brazil
- Director of Capgemini<sup>(a)</sup>
- Director of Sebdo, Le Point
- Director of Archer Obligations (formerly Artémis 21)
- Director of Éditions Tallandier
- Member of the Audit Committee of Capgemini<sup>(a)</sup>
- Director of Palazzo Grassi
- Director of the Pinault Collection – Paris

(a) Listed French companies.

**Delphine Mousseau**

50 years – French nationality

**Independent Director until January 26, 2022**

Member of the Corporate, Environmental and Social Responsibility Committee

Rönnestrasse 6  
14057 Berlin, Germany

*Date of first appointment: December 15, 2017*

*Term expiration date: Ordinary General Meeting called in 2024 to approve the financial statements for the previous year<sup>(a)</sup>*

*Number of shares held: 258*

A graduate of the École des hautes études commerciales (HEC) with a Master's degree in Business Administration, Delphine Mousseau began her career in 1995 as Project Head with Boston Consulting Group. In 1999, she joined Plantes-et-Jardins.com as Director of Operations. From 2007 to 2011, she served as Director of E-Commerce Europe at Tommy Hilfiger. She then worked as an independent consultant, primarily for the former group Primondo. From 2014 to 2018, Delphine Mousseau was VP Markets at Zalando. She is currently an independent consultant.

**Positions and offices held outside the Group at December 31, 2021****Abroad:**

- Member of the Board of Advisors of Flaconi GmbH (Germany)

**Offices and positions held over the past five years that are no longer held**

- VP Markets at Zalando SE
- Member of the Management Board of Camaieu (Modacrin)

*(a) Delphine Mousseau resigned as Director on January 26, 2022.*

# 3 CORPORATE GOVERNANCE

Organization of governance

## Nonce Paolini

72 years – French nationality

### Independent Director

Member of the Appointments and Compensation Committee

34, rue Copernic  
75116 Paris, France

*Date of first appointment: April 17, 2013*

*Term expiration date: Ordinary General Meeting called in 2025 to approve the financial statements for the previous year*

*Number of shares held: 250*

Nonce Paolini holds a Master of Arts and is a graduate of the Institut d'études politiques de Paris (class of 1972). He began his career with EDF-GDF, where he held operational and management positions. In 1998, he joined the Bouygues Group, where he successively held the positions of Director of Development and Director of Human Resources, before becoming Director of Communications in 1990. In 1993, he joined TF1 as Director of Human Resources, and in 1999, he was appointed Chief Operating Officer. In 2002 he was appointed Chief Operating Officer of Bouygues Telecom and then Managing Director and Board member in April 2004. In 2007, he was appointed CEO of TF1 Group, then Chairman & CEO of the group in 2008 until 2016.

#### Positions and offices held as of December 31, 2021

None.

#### Offices and positions held over the past five years that are no longer held

None.

**Brigitte Taittinger-Jouyet**

62 years – French nationality

**Independent Director**

Chair of the Corporate, Environmental and Social Responsibility Committee

Member of the Appointments and Compensation Committee

Member of the Strategy Committee

74, rue Raynouard  
75016 Paris, France*Date of first appointment: April 17, 2013**Term expiration date: Ordinary General Meeting called in 2024 to approve the financial statements for the previous year**Number of shares held: 250*

Brigitte Taittinger-Jouyet is a graduate of the Institut d'études politiques de Paris and holds a Master's in History from the Faculty of Human Sciences at Reims University. In 1984, she was appointed Advertising Manager at Publicis, before joining the Marketing Department within the Louvre Group in 1988, where she was in charge of industrial products and the budget hotel sector. From 1991 to 2012, she was Chair of the perfume company Annick Goutal. From 2013 to 2017, she was Director of Strategy and Development at the Institut d'études politiques de Paris (Sciences Po Paris). She is a Director of HSBC France, Suez and Chair of the ARSEP Foundation.

**Positions and offices held outside the Group at December 31, 2021****In France:**

- Director of HSBC France
- Director and Member of the Appointments and Compensation Committee and the CSR and Ethics Committee of Suez <sup>(a)</sup>
- Director of Baron Philippe de Rothschild (wine production)
- Chair of ARSEP, the French Foundation for Research into Multiple Sclerosis

**Offices and positions held over the past five years that are no longer held**

None.

*(a) Listed French companies.*

# 3 CORPORATE GOVERNANCE

Organization of governance

## Caroline Grégoire Sainte Marie

64 years – French nationality

### Independent Director

#### Member of the Audit Committee

36, avenue Duquesne  
75007 Paris, France

*Date of first appointment: May 18, 2018*

*Term expiration date: Ordinary General Meeting called in 2025 to approve the financial statements for the previous year*

*Number of shares held: 500*

A graduate of the Institut d'études politiques de Paris, Caroline Grégoire Sainte Marie also holds a degree in Commercial Law from Paris I University. She began her professional career in 1981 at Xerox France as Financial Controller. In 1984, she joined Hoechst pharmaceutical group, where she successively held several positions in the financial field at Roussel Uclaf SA before being appointed in 1994 as Chief Financial Officer of Albert Roussel Pharma GmbH and a member of the Executive Board. In 1996, she joined Volkswagen France before moving to Lafarge Group in 1997 as Chief Financial Officer of Lafarge Speciality Products (LMS). In 2000, she was appointed Senior Vice President Mergers & Acquisitions at the Group's Cement Division. In that position, Caroline Grégoire Sainte Marie led the financial strategy for the takeover of Blue Circle. In 2004, she became Chief Executive Officer for Germany and the Czech Republic. In 2007, she was appointed Chair and Chief Executive Officer of Tarmac France and Belgium, before becoming the Chair and Chief Executive Officer of Frans Bonhomme in 2009. Caroline Grégoire Sainte Marie was a member of the Boards of Directors of Eramet (from 2012 to 2016), Safran (from 2011 to 2015), FLSMIDTH (from 2012 to 2019) and Wienerberger (from 2015 to 2020). Since 2011, Caroline Grégoire Sainte Marie has been a member of the Boards of Directors of Groupama, Vinci and Elkem. As an investor in Calyos, she also sits on the company's Board of Directors, and she is a Senior Advisor at HIG European Capital Partners. She is a Knight of the French Legion of Honor.

#### Positions and offices held outside the Group at December 31, 2021

##### In France:

- Independent Director, Chair of the Appointments and Compensation Committee and Member of the Audit Committee of Groupama<sup>(a)</sup>
- Independent Director and Member of the Strategy Committee of Vinci<sup>(a)</sup>

##### Abroad:

- Director and Member of the Compensation Committee of ELKEM (Norway)/Bluestar (China) until April 2021
- Director and Chair of the Compensation Committee and Member of the Audit Committee of Bluestar Adisseo Corporation (Shanghai) since October 28, 2021

#### Offices and positions held over the past five years that are no longer held

- Independent Director and Member of the Strategy Committee of Eramet<sup>(a)</sup>
- Director, Non-voting Director and Member of the Audit Committee of Safran<sup>(a)</sup>
- Independent Director, Member of the Audit Committee and Member of the Technology Committee of FLSMIDTH, Denmark
- Independent Director, Vice-Chair, Chair of the CSR Committee, Member of the Audit Committee and Member of the Strategic Committee of Wienerberger, Austria

*(a) French companies whose shares and/or bonds are listed.*



**Jean-Marc Janailiac****68 years – French nationality****Independent Director****Member of the Corporate, Environmental and Social Responsibility Committee**

15, rue de Poissy  
75005 Paris, France

*Date of first appointment: May 23, 2019*

*Term expiration date: Ordinary General Meeting called in 2022 to approve the financial statements for the previous year*

*Number of shares held: 250*

Jean-Marc Janailiac holds a degree in law (1976) and is a graduate of École des Hautes Etudes Commerciales (1975) and École Nationale d'Administration (1980). From 1980 to 1983, he was chief of staff for the prefects of Finistère and then Val-d'Oise, then became chief of staff for the Secretary of State for Tourism from 1983 to 1984.

From 1984 to 1987, he managed the French tourism services for North America in New York, before becoming Chief Executive Officer of Maison de la France, in charge of promoting French tourism abroad from 1987 to 1997. In this capacity, he was a member of the Board of Directors of Air France from 1989 to 1994. After working for AOM, first as Executive Vice-President and then as Chief Operating Officer (1997-1999), Jean-Marc Janailiac joined the Maeva Group, where he held the position of Chairman and Chief Executive Officer before becoming Chairman of the Paris Conventions and Tourism Office from 2002 to 2004. From 2004 to 2012, he was Chief Executive Officer for group development at the RATP (Paris public transport system), and Chairman and Chief Executive Officer of RATP Développement. Jean-Marc Janailiac was Chairman and Chief Executive Officer of Transdev from December 2012 to June 2016, then held the office of Chairman of UTP (public and rail transport association) from 2013 to 2015. He was Chairman and CEO of Air France KLM from 2016 to 2018. Since October 2018 he has been senior advisor at the Roland Berger strategy consultancy firm, and was elected Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (French Foundation for Management Education – FNEGE) in December 2018.

**Positions and offices held outside the Group at December 31, 2021****In France:**

- Chairman of Hermina SAS
- Chairman of the Fondation Nationale pour l'Enseignement de la Gestion des Entreprises (French Foundation for Management Education, FNEGE)
- Senior Advisor at Roland Berger
- Director of the Association pour le Droit à l'Initiative Économique (French Association for the Right to Economic Initiative, ADIE)
- Member of the Strategic Advisory Board of Tikehau Private Equity
- Member of the Supervisory Commission of the Caisse des Dépôts
- Director of Getlink<sup>(a)</sup>
- Member of the Supervisory Board of Navya<sup>(a)</sup>
- Director of the Association Article 1
- Senior Advisor at Antin Infrastructures

**Offices and positions held over the past five years that are no longer held**

- Chairman of the Board of Directors of Air France<sup>(a)</sup>
- Chairman and Chief Executive Officer of Air France KLM<sup>(a)</sup>

*(a) Listed French company.*

# 3 CORPORATE GOVERNANCE

Organization of governance

## Javier Santiso

52 years – French and Spanish nationality

### Independent Director

Calle Dalia 263  
28109 Alcobendas  
Madrid, Spain

*Date of first appointment: May 23, 2019*

*Term expiration date: Ordinary General Meeting called in 2023 to approve the financial statements for the previous year*

*Number of shares held: 250*

A graduate of the Paris Institute of Political Studies and École des Hautes Etudes Commerciales, Javier Santiso holds a doctorate in International Affairs and Economics, which he completed at the University of Oxford. He started his professional career at the investment bank Crédit Agricole Indosuez in Paris.

From 2000 to 2005 he was Managing Director and Chief Economist for Emerging Markets at BBVA, based in Madrid, then Director General and Chief Economist at the OECD Development Centre in Paris. In 2010 he joined Telefónica as Managing Director of New Ventures and, staying in Madrid, worked alongside the person who is now Chairman of the operator. Javier Santiso then moved to London, taking on the role of Head of European Investments at Khazanah, the sovereign wealth fund of Malaysia, as well as Head of Global Tech Investments. He was a member of the Khazanah Executive Committee and Investments Committee, as well as a member of the Board of Directors of Axiata Digital, the Malaysian telecoms operator. He is now CEO of Mundi Ventures, a venture capital fund that invests in new technologies and start-ups in Europe from bases in London and Madrid. Javier Santiso is a member of the Young Global Leaders of the World Economic Forum in Davos. He has French and Spanish nationality. In January 2021, he became an independent member of the Board of Directors of Prisa, a Spanish company, and in 2022, he became a member of the Board of Directors of the newspaper *Le Monde* in Paris.

#### Positions and offices held outside the Group at December 31, 2021

##### In France:

- Member of the Board of Directors of *Le Monde*

##### Abroad:

- Chairman and Chief Executive Officer of Mundi Ventures, Spain
- Member of the Board of Directors of Prisa, Spain

#### Offices and positions held over the past five years that are no longer held

- Member of the Board of Directors of Axiata Digital, Malaysia
- Chairman of the Board of Directors, Khazanah Europe, UK
- Member of the Executive Committee and the Investments Committee of Khazanah, Malaysia

**Enrique Martinez**

50 years – Spanish nationality

**Chief Executive Officer****Director****Member of the Strategy Committee**

9, rue des Bateaux-Lavoirs  
94200 Ivry-sur-Seine, France

*Date of first appointment as Chief Executive Officer: July 17, 2017*

*Date of first appointment as Director: May 23, 2019*

*Expiration date of term as CEO: open-ended*

*Expiration date of term as Director: Ordinary General Meeting called in 2023 to approve the financial statements for the previous year*

*Number of shares held: 85,189*

Enrique Martinez holds a degree in Economics from the IESE Business School in Madrid, and began his career with Toys "R" Us. In 1998, he joined Fnac Group with the duties of establishing and developing the Banner in Portugal. He then held various positions within the Group between Spain and Portugal. In 2004, he became a member of the Executive Committee as Chief Executive Officer of the Iberian region. In 2012, he was called to France to head the France and Northern Europe region (France, Belgium, Switzerland). In 19 years, Enrique Martinez has made a significant contribution to the growth of Fnac Darty. In July 2016, he was given responsibility for integrating the Fnac and Darty brands in France, which, in just a few months, led to the generation of the first synergies between the two brands. He has served as Chief Executive Officer of Fnac Darty since July 2017.

**Positions and offices held within the Group at December 31, 2021****In France:**

- Chairman-Chief Executive Officer of Fnac Darty Participations et Services SA
- Chairman of the Board of Directors of Nature & Découvertes

**Abroad:**

- Director of Grandes Almacenes Fnac España
- Director of Fnac Luxembourg

**Positions and offices held outside the Group at December 31, 2021**

- Independent Director of Nuxe

**Offices and positions held over the past five years that are no longer held**

- Non-partner manager of Codirep
- Chairman of Relais Fnac
- Chairman of Fnac Périphérie
- Chairman of Fnac Accés
- Chairman and Chief Executive Officer of Fnac Paris
- Chairman of Fnac Direct
- Chairman of Fnac Jukebox
- Managing Director and Chairman of Fnac Belgium
- Director of Fnac Monaco
- Director and Chairman of the Board of Directors of Fnac Suisse
- Director of SwissBillet
- Director of Kesa France
- Director of Kesa Sourcing Ltd
- Director of Kesa Holdings Ltd
- Director of Fnac Darty Asia Ltd
- Director of Kesa International
- Director of Shaker Group, a company listed on the Riyadh Stock Exchange (Tadawul) (until July 2020) <sup>(a)</sup>

(a) Listed company.

# 3 CORPORATE GOVERNANCE

Organization of governance

## Franck Maurin

66 years – French nationality

### Director representing employees

Member of the Appointments and Compensation Committee

9, rue des Bateaux-Lavoirs  
94200 Ivry-sur-Seine, France

*Date of first appointment: October 08, 2019*

*Term expiration date: October 08, 2023*

*Number of shares held: 724<sup>(a)</sup>*

Holding a Master's degree in economics and a post-graduate diploma (DEA) in econometrics, Franck Maurin began his career at Darty in 1977 as an in-store sales assistant. He joined Charbonnages de France in 1982 as category manager of styrenic and associated products. Franck Maurin rejoined Darty as Product Manager in 1983, when its subsidiary Dacem was created. Since 2002, Franck Maurin has been involved with setting up after-sales service projects in France and Italy. He is also responsible for the centralized management of accessories sold in-store. Working in the Operations Department since 2017, he is involved with negotiating after-sales agreements and product returns. Since 2021, Franck Maurin has been responsible for the management of spare parts, working in partnership with a leading company in the spare parts purchasing and inventory sector in order to make appliances manufactured by Fnac Darty brands and imported from China both repairable and sustainable.

#### Positions and offices held as of December 31, 2021

Not applicable.

#### Offices and positions held over the past five years that are no longer held

Not applicable.

*(a) No minimum shareholding requirement due to his capacity as employee representative.*

**Julien Ducreux****37 years – French nationality****Director representing employees**

9, rue des Bateaux-Lavois  
94200 Ivry-sur-Seine, France

*Date of first appointment: October 14, 2020*

*Term expiration date: October 14, 2024*

*Number of shares held: 557<sup>(a)</sup>*

Julien Ducreux holds a Master's degree in Management of Innovation in Communication. He started his career within the SNCF group where he successively held the positions of Project Manager, Digital Brand Manager and then Digital Customer Experience Manager for the SNCF stations. During his career within the SNCF group, he participated in the group's digitalization and transformation projects. He joined Fnac Darty in 2018 as Head of Digital Customer Experience and Customer Insight. Julien is also in charge of the Group's mobile applications and the international coordination of digital projects. On February 1, 2022, he was appointed "FNAC Web Director", while retaining responsibility for the Group's digital customer experience.

**Positions and offices held as of December 31, 2021**

Not applicable.

**Offices and positions held over the past five years that are no longer held**

Not applicable.

*(a) No minimum shareholding requirement due to his capacity as employee representative.*

# 3 CORPORATE GOVERNANCE

Organization of governance

## 3.1.4 / INDEPENDENCE OF DIRECTORS

To assess whether a Director qualifies as independent and to prevent potential risks of conflicts of interest between the Director and the management, the Company or the Group, the Board has adopted the criteria defined in the AFEP-MEDEF Code (section 9.5), which are as follows:

<p><b>Criterion 1: Employee corporate officer during the previous five years</b></p>	<ul style="list-style-type: none"> <li>■ Is not or has not been over the previous five years: an employee or executive corporate officer of the Company; an employee, executive corporate officer or a Director of a company consolidated by the Company; or an employee, executive corporate officer or director of the Company's parent company or a company consolidated by the parent company.</li> </ul>
<p><b>Criterion 2: Cross-directorships or offices</b></p>	<ul style="list-style-type: none"> <li>■ The member is not an executive corporate officer of a company in which the Company is a director, either directly or indirectly, or in which an employee appointed as such or an executive corporate officer (currently in office or having held such office within the last five years) of the Company is a director.</li> </ul>
<p><b>Criterion 3: Significant business relationships</b></p>	<ul style="list-style-type: none"> <li>■ Is not a customer, supplier, commercial banker, investment banker, or consultant that is material to the Company or its Group, or for which the Company or its Group represents a significant share of its business. The evaluation of the significance or otherwise of the relationship with the company or its group must be debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the Report on Corporate Governance.</li> </ul>
<p><b>Criterion 4: Family ties</b></p>	<ul style="list-style-type: none"> <li>■ Is not related by close family ties to a corporate officer.</li> </ul>
<p><b>Criterion 5: Statutory Auditor</b></p>	<ul style="list-style-type: none"> <li>■ Has not been the Company's Statutory Auditor within the previous five years.</li> </ul>
<p><b>Criterion 6: Term of office exceeding 12 years</b></p>	<ul style="list-style-type: none"> <li>■ Has not been a director of the Company for more than 12 years. Loss of the status of Independent Director occurs on the date at which this period of 12 years is reached.</li> </ul>
<p><b>Criterion 7: Status as non-executive corporate officer</b></p>	<ul style="list-style-type: none"> <li>■ A non-executive corporate officer may not be considered independent if he or she receives variable compensation in cash or securities or any compensation linked to the performance of the Company or Group.</li> </ul>
<p><b>Criterion 8: Status as major shareholder</b></p>	<ul style="list-style-type: none"> <li>■ Directors representing major shareholders of the company or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Nominations Committee, should systematically review the qualification of a director as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.</li> </ul>

Declarations regarding conflicts of interest, regulated agreements and convictions are included in section 3.1.10, "Ethical standards for Directors and other information".

## AFEP-MEDEF Criteria for corporate governance independence

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8
Jacques Veyrat	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Brigitte Taittinger-Jouyet	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Delphine Mousseau <sup>(a)</sup>	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Daniela Weber-Rey	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Sandra Lagumina	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Antoine Gosset-Grainville	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Nonce Paolini	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Caroline Grégoire Sainte Marie	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Enrique Martinez	Non-compliant	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Jean-Marc Janailac	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Javier Santiso	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Carole Ferrand	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Franck Maurin	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant
Julien Ducreux	Non-compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

(a) Delphine Mousseau resigned as Director on January 26, 2022.

As such, as of December 31, 2021, 11 of the 14 Directors on the Board qualify as Independent Directors. None of the Independent Directors has any business ties to the Company or receives variable compensation in cash or securities or any compensation tied to the performance of the Company or the Group.

### 3.1.5 / SUCCESSION PLAN

The Appointments and Compensation Committee periodically reviews the succession plan for Executive Directors, members of the Executive Committee, and key managers.

The plan schedules the succession of corporate officers both in the short-term in the event of unpredictable successions (resignation, impediment, death, etc.) and in the longer-term in the case of predictable successions (performance problems, expiry of term of office, retirement, etc.).

These plans are developed jointly with senior management. The Committee may also be assisted by an independent firm.

The Appointments and Compensation Committee met on November 16, 2021 in the presence of the Company's Chairman and Chief Executive Officer to review the succession plans for Executive Directors, members of the Executive Committee, and key managers. In particular, the Committee reviewed the succession process, the procedure for selecting Board members and the diversity policy. It worked on renewing the terms of offices of Directors expiring in 2022.

As regards the members of the Executive Committee and key managers, the work carried out relied in particular on the results of the development reviews carried out during the year by the Company's managers in line with the processes drawn up by the Group's senior management and Human Resources department.

The Committee reported on its work to the Board of Directors at its meeting of January 26, 2022.

# 3 CORPORATE GOVERNANCE

Organization of governance

## 3.1.6 / MODE OF EXERCISING GENERAL MANAGEMENT

Under the terms of Article 16 of the Company's bylaws, and in line with the opinion of the Appointments and Compensation Committee, the Board of Directors on July 17, 2017 decided to separate the offices of Chairman of the Board and Chief Executive Officer. In effect, the Appointments and Compensation Committee believed that such a separation of duties would enable senior management, in the period following the Darty Group acquisition, to focus on the Group's operational priorities and, in particular, to pursue the integration of Fnac and Darty, ensure the achievement of the announced synergies and contend with increased competition.

On July 17, 2017, the Board decided to appoint Enrique Martinez as Chief Executive Officer, reflecting its determination to pursue the Group's transformation initiated in recent years with the support of the management team in place, and to effectively complete the integration process launched for Fnac and Darty in 2016.

The General Meeting of May 23, 2019 appointed Enrique Martinez as a member of the Board of Directors on the recommendation of the Appointments and Compensation Committee meeting of February 4, 2019. The Board of Directors considers the full participation of the Chief Executive Officer in his capacity as a Director to be an essential part of the discussions of the Board of Directors.

The powers of the Chief Executive Officer are those conferred upon him by law. He is vested with the broadest powers to act in the Company's name in all circumstances. He exercises those powers within the limits of the corporate purpose and the powers expressly assigned by law to the General Meeting and to the Board of Directors. He represents the Company in its dealings with third parties. Refer to section 3.2.2.2 on the limitations placed on the powers of the Chief Executive Officer by the Board of Directors.

## 3.1.7 / CHAIRMAN OF THE BOARD OF DIRECTORS

At its meeting of July 17, 2017, the Board of Directors decided to appoint Jacques Veyrat as Chairman for the remainder of his term as a Director in order to give the Chief Executive Officer and management team the benefit of his experience and his contribution to the Group's strategic positioning.

With this choice, the Board expressed its conviction that managerial continuity is the best way for the Group to consolidate its market position and operational performance.

The Chairman of the Board chairs the meetings of the Board of Directors, and organizes and directs its work and meetings, on which he reports to the General Meeting. He also ensures the smooth running of the Company's governing bodies, ensuring in particular that the Directors are able to perform their duties. The Chairman of the Board also chairs the General Meetings of the shareholders.

The internal regulations updated by the Board of Directors at their meeting of October 17, 2019 set out the following specific duties of the Chairman:

- the Chairman is responsible for the relations between the Company's shareholders and the Board regarding corporate governance matters. He is also responsible for maintaining the quality of relations with the Company's strategic shareholders, in close collaboration with the Chief Executive Officer; and

- the Chairman may, without prejudice to the prerogatives of the Board of Directors and its committees, be consulted by the Chief Executive Officer on all significant events relating to the Company's strategy and major growth projects.

The Chairman has access to any document or information that he deems necessary or useful for the performance of his duties as set out above. He may consult the Board Secretary and the Company's Chief Financial Officer, and receive assistance from the Company's General Secretary for the administrative tasks resulting from these duties.

As part of his duties, the Chairman interacts regularly with senior management and members of the Executive Committee in order to prepare the agenda for meetings of the Board of Directors. During 2021, he actively participated in monitoring the roll-out of the strategic plan Everyday, particularly by holding regular meetings with senior management. His duties also include maintaining dialogue with the shareholders. To achieve this, he interacts with Fnac Darty SA's principal shareholders. He also has contact with the market at roadshows organized by the Group.



### 3.1.8 / EXECUTIVE COMMITTEE

The Chief Executive Officer is assisted by an Executive Committee responsible for the functional and operational departments, so that he can maintain efficiency in governance.

On March 15, 2021, the Group announced a new organizational structure for the Executive Committee of Fnac Darty to fulfill the ambition of "Everyday", the Group's strategic plan. This new organizational structure took effect on March 30, 2021. As of March 1, 2022, the Group's Executive Committee consists of the following:

- Enrique Martinez, Chief Executive Officer;
- Annabel Chaussat, Chief Executive Officer, Fnac Spain;
- Anne-Laure Feldkircher, Executive Director of Group Transformation and Strategy;
- Tiffany Foucault, Director of Human Resources;
- François Gazuit, Operations Director;
- Frédérique Giavarini, General Secretary in charge of Corporate Social Responsibility and Governance of the Group and Chief Executive Officer of Nature & Découvertes;
- Vincent Gufflet, Director of Services and Operations;
- Samuel Loiseau, Customer, Marketing and Business Development Director;
- Jean-Brieuc Le Tinier, Group Chief Financial Officer;
- Charles-Henri de Maleissye, Chief Executive Officer, Fnac Vanden Borre in Belgium;
- Julien Peyrafitte, Commercial Director France;
- Cécile Trunet-Favre, Communications and Public Affairs Director;
- Olivier Theulle, Director of E-commerce and Digital.

The Group Executive Committee meets weekly to discuss the Group's operational and financial performance, strategic plans and the management of the Company.

### 3.1.9 / GENDER DIVERSITY POLICY OF MANAGEMENT BODIES

Gender balance, development and diversity were identified as priority issues for the Group. With 39.1% of women in the total workforce, but only 26.6% of women in leadership positions, Fnac Darty is strongly committed to strengthening its action in favor of greater gender diversity, particularly in line management positions. The attractiveness of the employer brand is in the balance, as is the Group's ability to rise to this major societal challenge.

In order to push the entire Company, including subsidiaries, to make this issue a priority, an ambitious objective was set by the Board of Directors on the recommendation of senior management:

- for the Executive Committee, in line with rules applicable to the Board of Directors, to achieve and maintain a percentage of at least 40% of the under-represented gender by 2025 – currently the percentage of women is 38% compared to 33% at the end of December 2020;
- for the Leadership Group, to achieve female representation of 35% by 2025, i.e. more than 10 points higher than in 2019 and 2020, with an increase of 2 points per year until 2024, then 3 points in 2025. The Leadership Group is made up of the members of the Executive Committee, the Group's executive officers, and key Group managers in France and internationally (employees with grade 19 or higher according to the Korn Ferry Hay weighted job evaluation method).

At the end of 2021, the percentage of women in the Leadership Group was 26.60% compared to 24.34% at the end of 2020, i.e. a result in line with our objectives.

In order to achieve these objectives, four major action plans were set out in a Group agreement signed in March 2021:

1. recruitment: to ensure non-discriminatory recruitment procedures;
2. training: to facilitate access to training for women;
3. promotion: to ensure that HR and career management procedures are neutral and objective;
4. compensation: to ensure Group-wide pay equity. These elements are further detailed in section 2.1.1 of this document, entitled "Develop gender equality, quality of life at work and commitment".

In this regard, Senior Management informs the Board of Directors annually of the results obtained.

# 3 CORPORATE GOVERNANCE

Organization of governance

## 3.1.10 / ETHICAL STANDARDS FOR DIRECTORS AND OTHER INFORMATION

### Conflicts of Interest – Regulated agreements – Convictions

- To the Company's knowledge, as of the date of this Universal Registration Document, there were no family ties between the members of the Board of Directors and the Company's senior management.
- To the Company's knowledge, as of December 31, 2021, in the last five years none of the members of the administrative, management or supervisory bodies: (i) has been convicted of fraud, (ii) has been party to a bankruptcy, receivership, liquidation, or placement of a business into administration, as a member of an administrative, management or supervisory body of said business, (iii) has been the subject of an investigation and/or any official public sanction by a statutory or regulatory authority (including designated professional bodies) and (iv) has been disqualified by a court from serving as a member of an issuer's administration, management or supervisory body, or from being involved in the management or conduct of an issuer's business.
- To the Company's knowledge, as of December 31, 2021, no potential conflict of interest has been identified in respect of the Company between the duties of any of the persons who are members of an administrative, management or supervisory body and their private interests and/or other duties.
- To the Company's knowledge, as of December 31, 2021, there is no arrangement or agreement with the main shareholders, or with customers, suppliers or other parties under which any member of an administrative, management or supervisory body has been selected as a member of the administrative, management or supervisory bodies or as a member of senior management.
- To the Company's knowledge, as of December 31, 2021, no benefit is provided upon termination of any service agreement binding a corporate officer to the Company or to any of its subsidiaries.
- To the Company's knowledge, as of December 31, 2021, none of the members of the administrative, management or supervisory bodies has accepted any restrictions regarding the disposal, within a certain period of time, of the issuer's securities they hold, with the exception of the rules governing the prevention of insider trading and the rules governing the obligation of executive corporate officers to hold in registered form the shares fully vested under bonus share and option plans awarded to them pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code.

### The internal regulations updated by the Board of Directors on October 20, 2021 stipulate the following with respect to managing conflicts of interest:

Each member of the Board "has an obligation to inform the Board of any conflict of interest situation, and must state the reason or reasons why he or she has decided, where applicable, not to abstain from taking part in discussions and voting on any deliberation of the Board which would put that member in said situation."

"If the Chairman or, as the case may be, the Vice-Chairman has reasonable grounds to believe a Director or Directors are in a situation of conflict of interest, they may withhold any information or documents relating to the subject of the conflict from said Director(s), and shall inform the Board member(s) of their decision.

In the event of disagreement between the Chairman or, as the case may be, the Vice-Chairman and the Board member, the Board shall consult appropriate legal counsel on the matter concerned, independent of the Group and any group in which the Board member holds an office and/or position. This counsel shall ensure that the said Board member has timely access to all information required by his/her office as a Director, except information which, if exchanged or shared, would constitute a proven conflict of interest."

## 3.2 / Operation of administrative and management bodies

### 3.2.1 / COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to Article 15 (5) of the Company's bylaws, at its meeting of June 24, 2013, the Company's Board of Directors established committees in charge of reviewing issues submitted to them by the Board or its Chairman.

The Company's Board of Directors decided to create four committees, the composition, duties and rules of operation of which are set out below: an Audit Committee, an Appointments and Compensation Committee, a Corporate, Environmental and Social Responsibility Committee and a Strategy Committee.

#### 3.2.1.1 / Audit Committee

The Company's Board of Directors has decided to establish an Audit Committee and set the terms of its internal regulations as follows.

#### Composition

The Audit Committee is composed of three members, none of whom may be an executive corporate officer of the Company. These members are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Audit Committee, particular consideration is given to their independence, as well as to their financial, accounting or statutory audit expertise.

Therefore, in accordance with the recommendations of the AFEP-MEDEF Code, the Committee's internal regulations stipulate that Independent Directors comprise a minimum of two-thirds of the Audit Committee. The Directors comprising the Audit Committee in 2021 were all independent.

The composition of this committee was modified by the Company's Board of Directors at its meetings of October 22, 2015, May 23, 2016, December 15, 2017, and February 23, 2021. The Audit Committee is composed of three members: its Chair – Carole Ferrand (Independent Director), Caroline Grégoire Sainte Marie (Independent Director), and Sandra Lagumina (Independent Director).

All the members of the Audit Committee have recognized expertise in financial, accounting or statutory audit matters, combining their expertise in the field of the general, operational or financial

management of banking institutions and companies, as evidenced by their professional backgrounds (see section 3.1.3 "Offices and positions held by the Directors and the Chief Executive Officer" of the Universal Registration Document).

#### Duties

The Audit Committee is responsible for monitoring the preparation and auditing of accounting and financial information, and for ensuring the effectiveness of risk-management and internal control procedures to facilitate the Board's review and approval thereof.

Accordingly, the Audit Committee's internal regulations set out its main responsibilities as follows:

- *monitoring the preparation of financial information* – The Audit Committee is responsible for examining the annual or half-year parent company and consolidated financial statements prior to their presentation to the Board and, in particular, for assessing the methods chosen to account for major transactions, provisions and related adjustments and any situation that could create a material risk for the Group, as well as any financial information, any report concerning quarterly, half-yearly or annual performance, or any reports prepared for a specific transaction (such as a capital contribution, merger or market transaction). The Committee ensures the relevance, consistency, reliability and proper application of the accounting policies in force in the Company and its main subsidiaries for the preparation of the parent company and consolidated financial statements. It examines the scope of the companies consolidated and the reasons why companies may not be included, as well as major or complex transactions (significant acquisitions or disposals, restructuring, hedging transactions, existence of special-purpose entities, material provisions, etc.) that have impacted the Company's financial statements. The Committee must specifically review material transactions where a conflict of interest could have arisen. The Committee also reviews the procedures used to prepare any other financial and accounting information published or reported to shareholders or the market. The review of the financial statements must be accompanied by a presentation by senior management that describes the exposure to risks, including social and environmental risks, and the material off-balance sheet commitments of the Company and the accounting methods chosen;

### 3 CORPORATE GOVERNANCE

#### Operation of administrative and management bodies

- *monitoring the effectiveness of internal control, internal audit and risk management systems relating to operations and to the processing of financial, non-financial and accounting information* – The Audit Committee is tasked with ensuring the relevance, reliability and correct implementation of the Company's internal control procedures, identification, hedging and risk management procedures relating to its business activities and the treatment of its financial, non-financial and accounting information, without compromising its independence. The Audit Committee must ensure that corrective actions are taken when significant weaknesses or material misstatements are identified. In order to do so, it is informed of the main findings of the Statutory Auditors and Internal Audit Department. The Committee also regularly examines the mapping of business risks, as well as the material off-balance sheet risks and commitments of the Company and its subsidiaries. It assesses the seriousness of the problems or weaknesses reported to it and informs the Board, where necessary. The Committee gives its opinion on the duties, organization and work plan of the Group's internal audit function, speaks with the head of Internal Audit and reviews the internal audit reports or a periodic summary of these reports;
- *monitoring the procedure for the regular evaluation of current agreements concluded under normal conditions* – In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the procedure for the regular evaluation of current agreements concluded under normal conditions, entered into directly or through an intermediary, between Fnac Darty SA and any of its corporate officers or shareholders holding more than 10% of the voting rights, or in which any such person has an indirect interest, or entered into between Fnac Darty SA and another company, if the Chief Executive Officer, any of the Chief Operating Officers or any of the Directors of the Company is the owner, a fully liable partner, a manager, a Director or a member of the Supervisory Board or, more generally, a person in any way involved in the management of that company, is intended to ensure that said agreements effectively fulfill these conditions. The Group's Legal and Financial Departments conduct an annual evaluation of the current agreements concluded under normal conditions, on the basis of the definitions of "current transactions" and "normal conditions" set out in the guidance on regulated and current agreements issued in 2014 by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes). If necessary, they may engage the Statutory Auditors in order to identify any agreements that might be reclassified as regulated agreements. Individuals that have a direct or indirect interest in any such agreements are not involved in their evaluation. Any agreements concluded by Fnac Darty SA with companies in which Fnac Darty SA directly or indirectly holds all of the capital, minus the minimum number of shares required to comply with legal requirements, if applicable, are excluded from the scope of the evaluation procedure. The Legal and Financial Departments present this evaluation annually to the Audit Committee and the Board of Directors;
- *monitoring the statutory audit of the parent company and consolidated financial statements by the Company's Statutory Auditors* – In accordance with the law and European regulations, the Statutory Auditors must present to the Committee its overall work program and the tests it has performed, the revisions it considers necessary to the financial statements or accounting documentation, and its observations on the valuation methods used, the irregularities and inaccuracies it has identified, the conclusions drawn from the comments and corrections made with regard to the results for the period compared to those of the previous period, and, no later than the submission date of the audit report, an additional audit report prepared in accordance with the European regulations setting out the results of the statutory audit. The Audit Committee monitors the performance by the Statutory Auditors of their assignment, taking into account, where applicable, the findings and conclusions of the audits carried out by the supervisory authority for the audit industry (Haut Conseil du Commissariat aux Comptes – H3C). To this end, it must interview the auditors at meetings dealing with the review of the financial reporting process and the review of the financial statements, in order to report on the performance of their duties and the conclusions of their work. This allows the Committee to be informed of the main areas of risk or uncertainty regarding the financial statements, as identified by the Statutory Auditors, their audit approach and any difficulties encountered in their work. The Statutory Auditors must also inform the Audit Committee of any material internal control weaknesses identified during their work with regard to the procedures used to prepare and process the accounting and financial information;

- *monitoring the rules regarding the independence and objectivity of the Statutory Auditors* – The Audit Committee must, along with the Statutory Auditors, examine the risks affecting their independence and the safeguards enacted to mitigate these risks. When the Statutory Auditors are appointed, the Audit Committee must manage the procedure for selecting the Statutory Auditors and submit a recommendation to the Board of Directors on the Statutory Auditors proposed for appointment by the General Meeting. Except in cases where the Statutory Auditors are up for reappointment, this recommendation must be made following an invitation to tender, must be substantiated and include at least two choices, and must give reasons for the preferred choice. In cases where the Statutory Auditors are up for reappointment, the Committee shall recommend the selection procedure to the Board, including, in particular, if there are grounds for issuing an invitation to tender. It oversees the invitation to tender and approves the specifications and selection of firms consulted, ensuring the “best bidder” is selected rather than the “lowest bidder”. In particular, every year, the Statutory Auditors must submit to the Audit Committee the declaration of independence referred to in Article 6 of the European regulations, and inform it of the total amount of fees paid to the network of Statutory Auditors by the companies controlled by the Company or the entity controlling it for services other than certification of the financial statements, as well as the nature of these services. The Audit Committee must also approve in advance the provision of services other than audit services, after analyzing the risks affecting the independence of the Statutory Auditor and the safeguards applied by that Auditor. In this regard, the firm responsible for the statutory audit may perform services other than audit services which are not prohibited by the European regulations and by the code of ethics of Statutory Auditors. In that case, the fees must not exceed 70% of the average fees invoiced in the last three years for the statutory audit of the financial statements. The Audit Committee makes its decision, in this regard, in accordance with the Audit Committee Charter. The Committee must also ensure that the amount of fees paid by the Company and its Group, or the proportion they represent in the revenue of the firms and networks, are not likely to adversely affect the independence of the Statutory Auditors. For example, when the total fees paid by the Company to one of its Statutory Auditors during each of the previous three consecutive years represent more than 15% of the total fees received by that Statutory Auditor in that period, the Committee must examine whether the auditing assignment should be subject to quality control by another auditor. If the fees received by that Statutory Auditor continue to exceed 15% of the total fees received, the Audit Committee will determine, based on objective criteria, whether the Statutory Auditor may continue to carry out its assignment for an additional period, which may not, in any case, exceed two years; and
- *financing review* – As part of its duties, the Audit Committee conducts a detailed review of the financing strategy, liquidity, hedging, maturity, counterparties and, more generally, any questions relating to the Group’s financial risks. The Audit Committee then drafts its comments and passes them on to the Board of Directors.

### **Practices**

A meeting of the Audit Committee is valid when there is a quorum of two members in attendance. The Audit Committee’s proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Audit Committee meets at least four times a year and as many times as it deems necessary. Audit Committee meetings are held before a meeting of the Board of Directors and, where the agenda of the Audit Committee concerns the examination of the half-year and annual financial statements prior to their examination by the Board, generally at least two days before the Board meeting.

In the exercise of its duties, it hears from and may question the Statutory Auditors, the Group’s Chief Financial Officer and those in charge of internal audit, internal control and financing. The Committee is informed of the main issues identified by the Internal Audit Department.

It reports regularly to the Board of Directors and submits opinions and recommendations to the Board for matters within its sphere of expertise. Written minutes of the Committee’s meetings are produced and approved.

The Committee may call on experts from outside the Company and interview anyone it chooses.

It reviews the fees for the Statutory Auditors every year and assesses their independence.

### **3.2.1.2 / Appointments and Compensation Committee**

The Company’s Board of Directors has established an Appointments and Compensation Committee and set the terms of its internal regulations as follows.

### **Composition**

The Appointments and Compensation Committee is composed of four members, one of whom is a member representing the Company’s employees, and three further members, none of whom is an executive officer in the Company and the majority of whom are independent in terms of the independence criteria adopted by the Company, it being specified that the member representing employees is not included in this calculation.

The members are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Committee, particular consideration is given to their independence and to their expertise in the selection and compensation of corporate officers of listed companies.

The Chairman of the Appointments and Compensation Committee is appointed by the Board of Directors from among the Independent Directors.

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## Operation of administrative and management bodies

At the meeting of the Board of Directors on February 23, 2021, it was decided to appoint a Director representing employees to the Appointments and Compensation Committee in 2021, in accordance with the recommendation of Article 18.1 of the AFEP-MEDEF Code, which recommends that one of the members of the Committee should be an employee Director. In a decision dated October 20, 2021, the Board of Directors appointed Franck Maurin as the Director representing employees on the Appointments and Compensation Committee.

The Appointments and Compensation Committee is composed of four members: its Chair – Antoine Gosset-Grainville (Independent Director), Brigitte Taittinger-Jouyet (Independent Director), Nonce Paolini (Independent Director), and Franck Maurin (Director representing employees).

### Duties

The Appointments and Compensation Committee is a specialized committee of the Board of Directors whose main duties are as follows:

- to assist the Board in appointing members of the governing bodies of the Company and its Group; and
- to assist it in determining and regularly assessing the overall compensation and benefits awarded to the executive corporate officers and senior executives of the Group, including any deferred benefits and/or post-employment benefits, whether due to voluntary or forced departure from the Group.

Accordingly, it performs the following duties:

- *proposing the appointment of members of the Board of Directors, senior management and Board committees* – The Appointments and Compensation Committee is responsible for making recommendations to the Board of Directors with regard to the appointment of its members (by the General Meeting or by co-option), and of the Chairman of the Board, the Chief Executive Officer and, where appropriate, the Chief Operating Officers, as well as the members and chairs of each of the other Board committees.

For this purpose, it sends reasoned proposals to the Board of Directors. These are made in the interests of shareholders and the Company. In general, the Committee should strive to reflect a diversity of experience and points of view, while ensuring a high level of expertise, internal and external credibility and stability of the Company's corporate bodies. In addition, it draws up and updates a succession plan for executive corporate officers so that it is in a position to quickly propose succession solutions to the Board of Directors in the event of an unforeseen vacancy.

With particular regard to the appointment of the members of the Board of Directors, the Committee specifically takes the following criteria into account: (i) the desirable balance of the composition of the Board of Directors, specifically in terms of diversity (nationalities, ages, etc.) and in view of the composition and the evolution of the Company's shareholders, (ii) the desirable number of independent members, (iii) the proportion of men and women required by the regulations in force, (iv) the opportunity for renewal of terms and (v) the integrity, competence, experience and independence of each candidate. In this context, the Committee proposes a diversity policy which is applied to the members of the Board of Directors, for adoption by the Board.

Process for selecting Directors: The Appointments and Compensation Committee also organizes a process for selecting future Directors (both independent and non-independent) and members of the Board's specialized committees. To do so, in addition to the diversity policy adopted by the Board, the Committee defines specific expectations for each selection of a new Director or appointment of a Director to a committee. It may use an external recruitment firm, which must then comply with the diversity policy adopted by the Board, and the Committee's specific additional expectations. It conducts its own research on potential candidates before any approach is made to them. The Committee may meet with the pre-selected candidates. At the end of the selection process, the Committee makes a recommendation regarding one or more candidates to the Board of Directors, which will decide, in the case of appointing a new Director, whether or not to propose the appointment of said candidate (s) to the General Meeting.

With regard to the appointment of the Chief Operating Officers, the Committee proposes to the Board of Directors a selection process that guarantees the presence of at least one person of each gender among the candidates until the end of the selection process. These nomination proposals endeavor to seek a balanced representation of women and men.

When it makes its recommendations, the Appointments and Compensation Committee must ensure that the independent members of the Board and its specialized committees, including the Audit Committee and the Appointments and Compensation Committee, have at least the minimum number of independent members required by the corporate governance principles to which the Company adheres;

- *conducting an annual assessment of the independence of the Board members* – Each year, before the publication of the Company's Corporate Governance Report, the Appointments and Compensation Committee assesses whether each Board member meets the Company's independence criteria and submits an opinion to the Board for its consideration on the situation of each individual in relation to these criteria;

- *evaluating the functioning of the Board of Directors* – The Appointments and Compensation Committee prepares an annual report for the Board of Directors to enable the Board to discuss its practices, to ensure that important issues are properly prepared and discussed within the Board, and to measure the effective contribution of each member to the Board's work. It also prepares a report to enable the Board of Directors to evaluate the practices of its permanent Committees under the same conditions and with the same frequency;
- *examining and making proposals to the Board of Directors concerning all aspects and terms and conditions of the compensation of the Group's main executives and senior management as well as the Chairman and, where applicable, the Vice-Chairman of the Board of Directors* – The Appointments and Compensation Committee draws up proposals that include fixed and variable compensation, as well as, where applicable, stock options, performance share allotments, pension and provident insurance plans, hiring bonuses, termination packages and non-compete allowances, benefits in kind or other specific benefits, and any other direct or indirect compensation (including long-term benefits) that may constitute compensation for members of the senior management, under the conditions provided by the regulations. It is informed of these aspects of the compensation of the Group's senior executives and the relevant compensation policies that have been implemented within the Group. The Committee also drafts proposals about the compensation of the Chairman of the Board of Directors, and, where applicable, that of the Vice-Chairman under the conditions required by regulations. When preparing its proposals and work, the Appointments and Compensation Committee takes into account the corporate governance standards to which the Company adheres;
- *examining and making proposals to the Board of Directors concerning the budget and distribution method for Directors' fees* – The Appointments and Compensation Committee makes proposals to the Board regarding the budget and distribution of Directors' fees and the individual payments to be made to members of the Board, taking into account their attendance at Board and Committee meetings, their responsibilities and the time they are required to devote to their duties;
- *exceptional duties* – The Committee is consulted to make recommendations to the Board of Directors on all exceptional compensation relating to exceptional duties that may be assigned, where applicable, by the Board of Directors to some of its members; and
- *reviewing and advising the Board of Directors regarding any negative vote on the compensation policy for corporate officers (ex-ante Say on Pay) or on the information regarding the compensation policy for corporate officers (ex-post total voting)* – When the Ordinary General Meeting issues a negative vote on the compensation policy for corporate officers (ex-ante Say on Pay) or on the information regarding the compensation policy for all corporate officers (ex-post total voting), the Committee proposes to the Board a revised compensation policy, which takes into account shareholder voting and, if applicable, any opinions expressed at the General Meeting, for the Board to discuss the matter at a later meeting and submit this revised compensation policy for the approval of the next General Meeting.

### Practices

A meeting of the Appointments and Compensation Committee is valid when there is a quorum of two members in attendance. The proposals of the Appointments and Compensation Committee are adopted by a simple majority of those attending the meeting, each member having one vote.

Executive corporate officers may get involved with the work of the Appointments and Compensation Committee from time to time, particularly when reviewing succession plans for corporate officers, members of the Executive Committee, or managers.

The Appointments and Compensation Committee may meet as many times as it deems necessary, but must meet at least once a year, prior to the meeting in which the Board assesses whether its members meet the Company's independence criteria (for more information on the concept of "independence" see section 3.1.4 "Independence of Directors" in this Universal Registration Document), and, in any event, prior to any Board meeting deciding on the compensation of senior management or the distribution of Directors' fees.

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### 3.2.1.3 / Corporate, Environmental and Social Responsibility Committee

The Company's Board of Directors has established a Corporate, Environmental and Social Responsibility Committee and set the terms of its internal regulations as follows.

#### Composition

The Corporate, Environmental and Social Responsibility Committee is composed of four members, who are appointed for an indefinite period (such appointment shall terminate, in all circumstances, when they cease to be a member of the Board of Directors). When selecting members of the Committee, particular consideration is given to their independence, as well as to their expertise in assessing issues relating to corporate, environmental and social responsibility.

The composition of this committee was modified by the Company's Board of Directors at its meeting on February 23, 2021. The Corporate, Environmental and Social Responsibility Committee is composed of four members: its Chair – Brigitte Taittinger-Jouyet (Independent Director), Jean-Marc Janailac (Independent Director), and Daniela Weber-Rey (Independent Director). It should be noted that Delphine Mousseau (Independent Director) was a member of this committee until she resigned on January 26, 2022.

#### Duties

The duties of the Corporate, Environmental and Social Responsibility Committee focus on the three components of sustainable development identified by the Company: corporate responsibility, environmental responsibility and social responsibility.

This committee reviews the actions and results of the previous year and presents Fnac Darty's strategic priorities for the current year.

It covers such topics as social dialogue, equal treatment, gender balance, employment of young people and older workers, diversity, environmental impact management, cultural initiatives, and social inclusion.

The Committee also ensures that the disclosures in Chapter 2 "Non-financial Performance Declaration" of this document have been verified by an independent third-party body to certify their compliance with Article L. 225-102-1, paragraphs 5 and 6.

Accordingly, the Corporate, Environmental and Social Responsibility Committee's internal regulations define its main duties as follows:

- *examining the corporate, environmental and social policies enacted by the Company* – The Committee conducts the annual examination of the corporate, environmental and social policies enacted by the Company, the targets set and the results obtained in these areas. The Committee assesses these areas in light of the business activities of the Company and of its subsidiaries, and any information it may have on suppliers and their subcontractors. To this end, it also reviews the Group's Business Code of Conduct, which is distributed to employees, suppliers, partners, and subcontractors of the Group.

Once a year, the Committee also examines a summary of ratings awarded to the Company and its subsidiaries by the non-financial rating agencies.

In addition, the Committee examines the quality of social dialogue within the Company and reviews any opinion surveys that may have been conducted.

Lastly, the Committee annually identifies the priority areas for corporate, environmental and social policies, proposes objectives and defines actions to achieve them;

- *examining the main corporate, environmental and social risks and opportunities for the Company* – Each year, the Committee prepares a presentation mapping any risks related to the corporate, environmental and social responsibilities of the Company in light of specific challenges in the Company's business activities. It examines the risks identified, reviews the procedures for protecting against those risks and monitors their development;
- *examining the Company's publications in the areas of corporate, environmental and social responsibility* – Each year, the Committee reviews all information published by the Company that relates to issues of corporate, environmental and social responsibility. In this respect, the Committee reviews the reporting, assessment and control systems annually, to enable the Group to produce reliable information for these areas;
- *examining issues relating to the promotion of diversity, equity and equality* – Each year, the Committee examines all issues relating to the promotion of diversity, equity and equality in the Company. Where necessary, it summarizes its observations as recommendations and submits them to the Board of Directors. It also monitors and distributes the recommendations adopted by the Board of Directors;



- *examining of the impact of the brands' business on the environment* – Each year, the Committee examines the impact of the Company's business on the environment. It prioritizes questions concerning energy consumption, carbon dioxide emissions arising directly or indirectly from the Company's activities, and initiatives promoting the collection and recycling of end-of-life products. Where necessary, it summarizes its observations as recommendations and submits them to the Board of Directors. It also monitors and distributes the recommendations adopted by the Board of Directors;

- *involving the brands in a sustainable societal approach* – The Committee pays particular attention to changes in societal trends strongly linked to the Group's activities, such as the fight against cultural exclusion, freedom of expression, the rise of digital technology and automation, and the development of a more responsible approach to consumption.

It supports initiatives to promote these values among the general public, inviting people to become involved with initiatives undertaken by the Company (such as offering to act as partners with non-profit associations, a solidarity sign-up program, collecting entertainment products for redistribution to those most in need of them, etc.);

- *involving employees in the brands' corporate, environmental and social policies* – Each year, the Committee draws up proposals to strengthen employees' involvement in the Company's corporate, environmental and social policies. In this respect, it identifies how best to communicate the key messages to the greatest number of people, to further employees' awareness of these messages, and to provide training on its key corporate, environmental and social policies. It also reviews changes to proposals that have previously been adopted and implemented and, where necessary, proposes additional changes and/or further actions to be taken; and
- *examining fair practices in light of the Group's ethical principles set out in the Fnac Darty Business Code of Conduct* – In this context, the Committee examines and makes proposals to the Board specifically on issues relating to the prevention and detection of corruption and influence peddling.

### **Practices**

A meeting of the Corporate, Environmental and Social Responsibility Committee is valid when there is a quorum of two members in attendance. The Corporate, Environmental and Social Responsibility Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Committee meets as many times as it deems necessary, and at least once a year, prior to the Board meeting to convene the Company's Annual General Meeting.

### **3.2.1.4 / Strategy Committee**

In 2019, the Company's Board of Directors decided to establish a Strategy Committee and set the terms of its internal regulations as follows.

#### **Composition**

The Committee is composed of (i) the Chairman of the Board of Directors, (ii) the Executive Corporate Officer (if this role is not combined with that of the Chairman of the Board), (iii) the Chair of the Audit Committee, (iv) the Chairman of the Appointments and Compensation Committee, and (v) the Chair of the Corporate, Environmental and Social Responsibility Committee, i.e. a minimum of four members in the case of accumulation of directorships as indicated above and a maximum of five members if no accumulation of directorships as indicated above.

The Executive Corporate Officer (if not a Director) and the Group's Chief Financial Officer attend the meetings of the Strategy Committee.

The Committee is chaired by the Chairman of the Board of Directors, unless this role is combined with that of CEO.

The Chairman of the Committee may invite certain Directors who are not members of the Committee to attend the meetings.

This Committee is therefore composed as follows: it is chaired by Jacques Veyrat (Chairman of the Board of Directors and Independent Director) and its other four members are Antoine Gosset-Grainville (Chairman of the Appointments and Compensation Committee and Independent Director), Carole Ferrand (Chair of the Audit Committee and Independent Director), Brigitte Taittinger-Jouyet (Chair of the Corporate, Environmental and Social Responsibility Committee and Independent Director) and Enrique Martinez (CEO and Director).

#### **Duties**

The Strategy Committee has two main tasks:

- a) **general role:** the general role of the Committee is to consider the broad strategic priorities of the Group that may be implemented by the executives, specifically in the fields of business, investment, partnerships or any other matter considered central to the Group's future and, where appropriate, make recommendations to the Board of Directors in this regard;
- b) **specific role:** at the request of the Chairman, the Executive Corporate Officer or the Board of Directors, the Committee may also be required to provide an opinion on planned investments or divestments, including the acquisition, sale or exchange of shareholdings in any existing companies or companies to be created, which must be subject to prior authorization by the Board of Directors.

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If necessary, the Committee may delegate the task of formulating any opinion on a particular subject to the Chairman, one of its members or any sub-committee composed of several of its members.

In this context, the Strategy Committee carries out the following main tasks:

- the Committee may speak with the Executive Corporate Officer (if not a Director) and, if necessary, interview the managers of any operational or functional entities that may be relevant to the execution of its tasks. The Chairman shall give advance notification thereof to the Executive Corporate Officer, unless they are a member of the Committee. In particular, the Committee is entitled to interview the Director of Strategy and M&A or any person designated by them; and

- the Committee may request external expert studies on matters falling within its competence at the Company's expense, subject to reporting back to the Board on these matters.

## Practices

A meeting of the Strategy Committee is valid when there is a quorum of two members in attendance. The Strategy Committee's proposals are adopted by a simple majority of those attending the meeting, each member having one vote. The Strategy Committee meets at least once a year and as many times as it deems necessary.

## 3.2.2 / CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

### 3.2.2.1 / Internal regulations of the Board, Market Ethics Charter and the handling of insider information

The Board of Directors assumes the duties and exercises the powers conferred by law, the bylaws and the internal regulations of the Board, which are available on the Governance pages of the Group's website (<https://www.fnacdarty.com/en/group/governance/>).

It establishes and assesses the direction, objectives and performance of the Company and ensures that they are implemented in accordance with the corporate interest, taking into account the social and environmental challenges of its business. Subject to the powers expressly attributed to the General Meetings and within the limits of the corporate purpose, it handles all issues affecting the Company's operations and regulates the Company's affairs by its deliberations.

The Board carries out the audits and verifications it deems necessary.

The conditions for the preparation and organization of the work of the Board of Directors are defined by law, the Company's bylaws, the Board's internal regulations and the work of the Board of Directors' specialized committees. The Board has drawn up internal regulations for each of the committees.

In accordance with the law and its internal regulations, the Board of Directors meets at least four times per year and at any other time, as often as the Company's interests so require. To enable the Directors to prepare as well as possible for the issues that are to be reviewed in meetings, a comprehensive dossier that includes the necessary information for each subject on the agenda is sent to them in a timely manner ahead of the meeting.

The internal regulations define the frequency and conditions for Board meetings and provide for the possibility of participating by videoconference and/or teleconference. The bylaws also provide for the possibility of Directors making decisions by means of written consultation.

They also establish the principle of regular evaluation of the Board's functioning and define the procedures for distributing Directors' fees under the conditions provided for by the regulations.

The internal regulations require the Directors to inform the Chairman of the Board of Directors of any conflict of interest, including potential conflicts of interest, between their duties to the Company and their private interests and/or other duties. Directors are not allowed to abstain from taking part in any discussions or voting on any item that concerns them directly or indirectly.

A Market Ethics Charter, updated at the meeting of October 17, 2019, has been adopted by the Board of Directors. The Charter reiterates the regulatory obligations of corporate officers, persons exercising responsibilities, executives and insiders, in particular those relating to the prevention of insider trading. It also defines rules regarding restrictions on trading in the Company's shares or, more generally, the Group's shares, by stipulating "blackout periods" implemented in advance of the publication of annual and half-yearly results and quarterly financial information, and reiterates the rules for the declaration of securities transactions by executives and persons closely linked to them. The Market Ethics Charter also designates an Ethics Officer responsible for addressing any questions and concerns from insiders with regard to the Charter.

### 3.2.2.2 / Limitations imposed by the Board of Directors on the powers of the Chief Executive Officer

Under the law, the Chief Executive Officer is vested with the broadest powers to act in the name of the Company in all circumstances. He exercises those powers within the limits of the corporate purpose and the powers expressly assigned by law to the General Meeting and to the Board of Directors.

As regards the Board of Directors' statutory duty to set the strategic priorities for the Company's business and ensure their implementation, and without prejudice to the legal provisions concerning authorizations that must be granted by the Board, the internal regulations of the Board of Directors require certain decisions made by the Chief Executive Officer to be submitted to the Board of Directors for prior approval, due to the type of decision or its material nature.

In its decision of July 17, 2017, the Board of Directors maintained the limitations of powers that had been set out in Article 3.3 of the version of the internal regulations of the Board of Directors dated January 26, 2017, which are as follows:

"The Chief Executive Officer must obtain the Board's prior consent for any of the following transactions:

- a) issues and transactions that materially affect the Group's strategy, financial structure or scope of business;
- b) the following transactions conducted by the Company or any entity controlled by the Company if they exceed the threshold set by the Board of Directors:
  - (i) any investment or divestment, including an acquisition or sale or exchange of interests in any companies currently existing or to be created, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision,
  - (ii) any surety, endorsement or guarantee of any kind, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision, and
  - (iii) any borrowing (or series of borrowings) or loans, of any type, or the prepayment of a loan, insofar as such transactions exceed an amount defined by the Board and valid for the duration set by the Board in its decision.

The Board also ensures that, if a strategic or significant transaction falls outside the strategy announced by the Company, sufficient information is provided to enable prior authorization to be obtained from the Board of Directors."

In this context and at its meeting of July 29, 2021, the Board of Directors decided to submit for prior authorizations any transactions which exceed the following thresholds:

- any surety, endorsement, or guarantee issued in excess of an annual overall limit of €50 million;
- any investment or divestment, including an acquisition or sale or exchange of interests in any companies currently existing or to be created, that exceeds €30 million; and
- any borrowing (or series of borrowings) or lending of money of any kind or prepayment of a loan that exceeds €50 million.

At this meeting, the Board decided that these authorizations and thresholds should be set for a period of two years expiring on July 31, 2023.

At the same meeting, the Board of Directors granted the Chief Executive Officer the authority to:

- guarantee the commitments made by Fnac Darty's subsidiaries ("controlled companies within the meaning of section II of Article L. 233-16" of the French Commercial Code), up to an annual overall limit of €50 million, provided that the Chief Executive Officer reports this to the Board at least once a year; and
- provide sureties, endorsements, or guarantees to the tax and customs authorities on behalf of the Company, with no maximum amount.

This authorization was granted for a period expiring at the Board meeting held in 2022 to approve the annual financial statements.

Furthermore, the Board is regularly notified of the financial position, the cash position and the commitments of the Company and the Group. In fact, the Group's Chief Financial Officer attends all Board meetings (with the exception of those held in the absence of the Chief Executive Officer) during which he can highlight, where appropriate, any facts or significant events relating to these matters.

### 3.2.2.3 / Work of the Board and its specialized committees

#### **Assessment of the Board of Directors and the specialized committees**

Pursuant to the provisions of the Board's internal regulations and the AFEP-MEDEF Corporate Governance Code, once a year the Board devotes one item on the agenda to a review of the composition, organization and functioning of the Board and its committees and the effective contribution of the Directors to the Board's work.

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At its meeting of February 23, 2022, the Board read the conclusions from the detailed questionnaires previously sent to Board members and conducted the annual assessment of its operation and its committees. The questionnaires sent were drafted in advance and contained the latest amendments in this area, as recommended by the AFEP-MEDEF in 2021. The Board noted that all Directors had returned their questionnaire and that the responses showed a generally high level of satisfaction, with no difficulties or inadequacies highlighted. In general, the Board members believe that the Board and its committees function effectively, and that the important issues are well discussed.

The composition of the Board, its gender balance, the diversity of profiles, and the skills represented are deemed to be satisfactory. In addition to governance expertise, the Group's international position, the markets in which it operates, and the ramp-up of digital technology will always be taken into account when future appointments are made.

Individual skills on the Board are valued and give no cause for concern.

The Directors assessed the extent to which the comments and recommendations made last year were taken into account, in particular:

- improving the timescale for receipt of the documents required for the Board and committees to conduct their work;
- allocating more time for discussion at meetings;
- better access to various sources of information and to consultants;
- access to more information about the Group's life outside of meetings.

This year, the Board wishes to further enhance the integration of new Directors by having them meet management staff and existing Directors so closer bonds are forged, and to play an even greater role in implementing the strategic plan.

In accordance with the internal regulations of the Board, the last three-year assessment of the Board by an independent third party took place in 2020 and focused on its functioning during the year ended December 31, 2019. The next assessment by an independent third party is scheduled for 2023 and will focus on its functioning during the financial year ended December 31, 2022.

## Board of Directors

### Work of the Board of Directors in 2021

The Board met seven times in 2021, with an average attendance rate of 98%. All meetings were chaired by the Chairman of the Board of Directors. Individual attendance figures for Directors at meetings of the Board of Directors are given at the end of this chapter (3.2.2.3).

#### **At its meeting of January 19, 2021, the Board of Directors:**

**Attendance rate: 92%**

- examined the initial revenue and results trends for 2020; and
- established the budget priorities for 2021.

#### **At its meeting of January 26, 2021, the Board of Directors:**

**Attendance rate: 100%**

- reviewed the business performance in the fourth quarter of 2020 and the preliminary results for 2020;
- approved the Group's strategic plan Everyday;
- discussed the new provisions of the French Civil Code and the French Commercial Code relating to including a *raison d'être* in the bylaws and the status of a social purpose corporation (*société à mission*);
- conducted the annual review of regulated agreements; and
- conducted the annual evaluation of current agreements concluded under normal conditions.

#### **At its meeting of February 23, 2021, the Board of Directors:**

**Attendance rate: 100%**

- approved the annual financial statements and reports for 2020, after taking into account the work undertaken by the Audit Committee in 2020, the 2021 audit plan and the 2020 risk mapping;
- reviewed and approved the 2021 budget;
- conducted a review of financing and feedback to shareholders;
- reviewed the work of the Appointments and Compensation Committee meeting of February 19, 2021 and:
  - approved the variable compensation for 2020 of the Chief Executive Officer and the amount. The Chief Executive Officer and the Chairman of the Board were not in attendance when this decision was made by the Directors,

- approved the compensation policy for corporate officers, in particular the terms regarding the fixed compensation for the Chairman and the Chief Executive Officer and the variable compensation for 2021 for the Chief Executive Officer. The Chief Executive Officer and the Chairman of the Board were not in attendance when this decision was made by the Directors;
- reviewed the assessment of the functioning of the Board of Directors, in accordance with its internal regulations and the AFEP-MEDEF Corporate Governance Code;
- approved the special report on stock subscription options and the allocation of bonus shares issued during the year (in application of Articles L. 225-184 and L. 225-197-4 of the French Commercial Code);
- reviewed the work of the Corporate, Environmental and Social Responsibility Committee meeting of February 22, 2021, and approved the corporate and environmental information to be published in the Management Report;
- approved the Report on Corporate Governance; and
- approved the draft resolutions and the agenda for the General Meeting of Shareholders of May 27, 2021.

**At its meeting of April 06, 2021, the Board of Directors:**

} Attendance rate: 100%

- amended the agenda of the Combined General Meeting of May 27, 2021;
- gave an update.

**At its meeting prior to the General Meeting of May 27, 2021, the Board of Directors:**

} Attendance rate: 100%

- approved the implementation of the stock buyback program, subject to approval of this program by the Combined General Meeting of May 27, 2021;
- approved the long-term incentive plan for certain senior executives of the Group; and
- prepared for the Combined Ordinary and Extraordinary General Meeting of May 27, 2021.

**At its meeting of July 29, 2021, the Board of Directors:**

} Attendance rate: 100%

- reviewed the work of the Audit Committee meeting of July 27, 2021 on the approval of the half-year financial statement;
- examined and approved the half-year financial statements as of June 30, 2021; and
- adopted a procedure for authorizing guarantees, pledges and endorsements.

**At its two meetings of October 20, 2021, the Board of Directors, initially meeting as the full Board and then in the absence of the Chief Executive Officer:**

} Attendance rate: 92%

- reviewed the business performance in the third quarter of 2021;
- approved the Company's management planning documents;
- examined the work of the Audit Committee meeting of October 18, 2021 and the CSR Committee meeting of September 21, 2021, with particular focus on the Group's climate roadmap (see section 2.4 of Chapter 2 "Reducing environmental impacts" of this Universal Registration Document);
- appointed a Director representing employees to the Appointments and Compensation Committee and updated the internal regulations of this committee.

At the end of this meeting, the Board of Directors met in the absence of the Chief Executive Officer. Discussions lasting 60 minutes took place in the presence of the Directors only. The Chief Executive Officer was not in attendance. The discussions focused on the composition and functioning of the Board of Directors and the conduct of the Group's business activities. This meeting was attended by: Jacques Veyrat, Chairman of the Board, Antoine Gosset-Grainville, Vice-Chairman of the Board, Carole Ferrand, Delphine Mousseau, Sandra Lagumina, Daniela Weber-Rey, Brigitte Taittinger-Jouyet, Jean-Marc Janailac, Javier Santiso, Nonce Paolini, Franck Maurin, and Julien Ducreux.

**Work of the Board of Directors from January 1 to February 26, 2022**

**At its meeting of January 26, 2022, the Board of Directors:**

} Attendance rate: 100%

- noted the resignation of Delphine Mousseau as a Director;
- reviewed business performance for the fourth quarter of 2021 and the preliminary results for 2021;
- examined the budget priorities for 2022;
- reviewed the work of the Audit Committee meetings of November 25, 2021, December 6, 2021, January 18 and January 26, 2022, and of the Appointments and Compensation Committee meeting of November 16, 2021;
- conducted an annual review of the regulated agreements and read the report on the evaluation of agreements relating to current transactions concluded under normal conditions.

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## At its meeting of February 23, 2022, the Board of Directors:

} Attendance rate: 92%

- reviewed the work of the Audit Committee, meeting on February 21, 2022 for 2021, the 2022 audit plan approved by the Audit Committee, and approved the annual financial statements and reports for financial year 2021;
- reviewed and approved the 2022 budget;
- reviewed the work of the Appointments and Compensation Committee meeting of February 16, 2022, and approved the variable compensation for 2021 of the Chief Executive Officer and the amount and terms of the Chief Executive Officer's fixed and variable compensation for 2022. The Chief Executive Officer was not in attendance when this decision was made by the Directors;
- established the distribution of Directors' fees (formerly "attendance fees") for 2021;
- reviewed the work of the Corporate, Environmental and Social Responsibility Committee meeting of February 15, 2022, and approved the corporate and environmental information to be published in the Management Report;
- approved the Report on Corporate Governance, the Board's Management Report, and the Board's Draft Resolutions Report and the draft resolutions of the Annual Combined General Meeting.

## Audit Committee

### Work of the Audit Committee in 2021 and up to February 21, 2022

#### Work of the Audit Committee in 2021

In 2021, the Audit Committee met six times, with an average attendance rate of 100%.

#### The first meeting was held on February 19, 2021 and mainly focused on:

} Attendance rate: 100%

- a presentation of the results for 2020 (company and consolidated financial statements);
- a presentation of the work of the statutory auditors on the Fnac Darty company and consolidated results for 2020;
- reviewing the 2021 financing strategy.

## The Committee meeting of April 15, 2021 focused solely on:

} Attendance rate: 100%

- reviewing the follow-up work on services other than the certification of the financial statements, as of March 31, 2021;
- reviewing revenue for the first quarter of 2021, including reviewing business activity and examining the draft press release on revenue for the first quarter of 2021;
- follow-up monitoring of financing operations conducted in March 2021;
- an update on internal audit activities and assignments for the first quarter;
- reviewing the crisis management process.

## The Committee meeting of July 27, 2021 mainly focused on:

} Attendance rate: 100%

- a presentation of the Fnac Darty financial statements as of June 30, 2021 and a review of the Half-Year Financial Report;
- reviewing the work to close the half-year financial statements for the period ended June 30, 2020;
- a meeting held with the Statutory Auditors on their limited review of the half-year financial statements;
- reviewing the internal audit work for the first half of 2021;
- reviewing the draft press release on the half-year results; and
- reviewing the follow-up work on services other than the certification of the financial statements, as of June 30, 2021;
- reviewing the cyber security risk monitoring and remediation plan and the duty of care.

## The Committee meeting of October 18, 2021 mainly focused on:

} Attendance rate: 100%

- reviewing the follow-up work on services other than the certification of the financial statements, as of October 12, 2021;
- a presentation of the approach taken by the statutory auditors to the revenue audit;
- a presentation of the GDPR compliance risk monitoring and remediation plan: GDPR;

- reviewing the main legal and tax disputes underway within the Group's scope of consolidation;
- reviewing internal audit activities and the plan to the end of September 2021.

**The Committee meeting of November 25, 2021 mainly focused on:** } **Attendance rate: 100%**

- reviewing the cyber security system;
- reviewing the mapping of the Group's major risks (method and outcome).

**The Committee meeting of December 6, 2021 mainly focused on:** } **Attendance rate: 100%**

- reviewing the follow-up work on services other than the certification of the financial statements, as of November 30, 2020;
- reviewing the plan to set up a captive insurance company;
- examining the business plan and reviewing impairments;
- examining end-of-year work and reviewing impairments;
- a presentation of changes to the regulations on UK pension funds;
- reviewing liquidity and financing;
- examining the internal audit plan for 2022.

**Work of the Audit Committee from January 1 to February 21, 2022**

**The Committee meeting of January 18, 2022 mainly focused on:** } **Attendance rate: 100%**

- PwC's Report on the maturity assessment of the risk management structure;
- the internal audit of the Group.

**The Committee meeting of January 26, 2022 mainly focused on:** } **Attendance rate: 100%**

- a presentation of the Annual Summary Report on the ethics and compliance alert line;
- a summary report on the maturity assessment of the control, internal audit and risk management structure;
- the presentation of the proposed audit plan for 2022.

**The Committee meeting of February 21, 2022 mainly focused on:** } **Attendance rate: 100%**

- reviewing the work to close the parent company and consolidated financial statements and their notes as of December 31, 2021;
- reviewing the independence and objectivity of the Statutory Auditors, the amount of fees paid to them, the total amount of fees paid for services other than the certification of the financial statements, as well as the nature of those services provided that are directly related to their duties as Statutory Auditors;
- reviewing the Statutory Auditor's Supplementary Report;
- reviewing the collection process and the quality of information provided in the non-financial performance declaration;
- reviewing the progress of the recommendations made by Internal Audit Department.

The Audit Committee reported on its work and made recommendations to the Board of Directors.

### Appointments and Compensation Committee

#### **Work of the Appointments and Compensation Committee in 2021 and up to February 16, 2022**

#### **Work of the Appointments and Compensation Committee in 2021**

In 2021, the Appointments and Compensation Committee met three times, with an average attendance rate of 100%.

**The first meeting was held on February 19, 2021 and mainly focused on:** } **Attendance rate: 100%**

- reviewing analysis and recommendations on short-term compensation;
- reviewing the components of the 2020 variable compensation for the Chief Executive Officer;
- reviewing and proposing a compensation policy for corporate officers, in particular:
  - reviewing and proposing the conditions and components of compensation for 2021 for the Group's main executives,
  - reviewing and proposing a structure for the 2021 fixed and variable compensation of the Chief Executive Officer,

# 3 CORPORATE GOVERNANCE

Operation of administrative and management bodies

- reviewing and proposing 2021 fixed compensation for the Chairman of the Board,
- reviewing and making proposals to the Board regarding how to distribute the compensation allocated to Directors for 2020 and reviewing the proposed rules for 2021;
- reviewing the ex-ante and ex-post Say on Pay draft resolutions to be submitted to the vote of the 2021 General Meeting;
- reviewing succession plans for the executive corporate officers;
- the composition of the Board of Directors and the specialized committees:
  - an update on the proportion of men and women on the Board of Directors and the diversity thereof,
  - the selection procedure for Board members,
  - proposal for renewal,
  - reviewing the independence criteria for Directors and the issuing of an opinion on the independence of each Director. Directors who sit on the Appointments and Compensation Committee did not take part in the decisions concerning their own independence,
  - Audit Committee: reviewing the specific financial, accounting or statutory audit expertise of the members of the Audit Committee,
  - gender balance in governing bodies;
- assessing the work of the Board and the specialized committees;
- reviewing the draft Report on Corporate Governance;
- reviewing the policy of the Company (Fnac Darty SA) on equal opportunities and equal pay;
- reviewing and proposing that the adjustment to the method of calculating performance based on free cash-flow for the long-term incentive plan awarded in 2019 be abandoned;
- the Group's total compensation policy.

**The Committee meeting of April 27, 2021** } **Attendance rate: 100%**  
**mainly focused on:**

- reviewing analysis and recommendations on long-term compensation;
- reviewing and proposing a draft long-term incentive plan for 2021;
- reiterating the obligation for corporate officers to hold shares received from bonus share awards and the exercise of stock options.

**The Committee meeting of November 16, 2021 mainly focused on:** } **Attendance rate: 100%**

- reviewing succession plans for the executive corporate officers;
- a presentation of the questionnaire for assessing the Board and the specialized committees;
- examining the development reviews of Leadership Group members;
- reviewing succession plans for the Executive Committee;
- reviewing the assessment of the roles and compensation of members of the Executive Committee.

**Work of the Appointments and Compensation Committee in 2022, up to February 16**

**The Committee meeting of February 16, 2022 mainly focused on:** } **Attendance rate: 100%**

- the composition of the Board of Directors and the specialized committees:
  - an update on the proportion of men and women on the Board of Directors and the diversity thereof,
  - a proposal for renewing and appointing new Directors,
  - reviewing the independence criteria for Directors and the issuing of an opinion on the independence of each Director. Directors who sit on the Appointments and Compensation Committee did not take part in the decisions concerning their own independence, and
  - Audit Committee: reviewing the specific financial, accounting or statutory audit expertise of the members of the Audit Committee;
- assessing the work of the Board and the specialized committees;
- reviewing the components of the 2021 variable compensation for the Chief Executive Officer;
- reviewing and proposing a compensation policy for corporate officers, in particular:
  - reviewing and proposing the conditions and components of compensation for 2022 for the Group's main executives,
  - reviewing and proposing a structure for the 2022 fixed and variable compensation of the Chief Executive Officer,



- reviewing and proposing 2022 fixed compensation for the Chairman of the Board,
- defining the method for distributing Directors' fees 2022;
- reviewing the distribution of Directors' fees for 2021;
- reviewing and proposing the ex-ante and ex-post Say on Pay, and any other draft resolution to be submitted to the vote of the 2022 General Meeting;
- reviewing the draft Report on Corporate Governance;
- reviewing the policy of the Company (Fnac Darty SA) on equal opportunities and equal pay.

The Appointments and Compensation Committee reported on its work and made recommendations to the Board of Directors.

### **Corporate, Environmental and Social Responsibility Committee**

#### **Work of the Corporate, Environmental and Social Responsibility Committee in 2021 and up to February 15, 2022**

The Corporate, Environmental and Social Responsibility Committee met twice in 2021, with all members of the Committee in attendance.

#### **On February 22, 2021, the Committee reviewed:**

} Attendance rate: 100%

- the Group's compliance with the obligations of the Non-financial Performance Declaration and the 2021 drafts, as well as a summary of the ratings obtained by the Group from the main non-financial rating agencies.

#### **On September 21, 2021, the Committee reviewed:**

} Attendance rate: 100%

- the Group's climate roadmap;
- the subject of *raison d'être*.

#### **On February 15, 2022, the Committee reviewed:**

} Attendance rate: 100%

- the presentation of the 2021 non-financial performance declaration and approval of it;
- the management roadmaps for the various CSR pillars.

All information relating to the Group's CSR policies and performance is disclosed in Chapter 2 "Non-financial Performance Declaration" of this document.

The Corporate, Environmental and Social Responsibility Committee reported on its work and made recommendations to the Board of Directors.

### **Strategy Committee**

#### **Work of the Strategy Committee in 2021**

The Strategy Committee met twice in 2021 and continued its work on the strategic plan. It invited all members of the Board of Directors to a meeting on November 3, 2021, which was preceded by a visit to the Fnac Logistique warehouse in Wissous. At this meeting, the Committee:

- gave an update on the implementation of the strategic plan Everyday during the course of 2021;
- discussed the new provisions of the French Civil Code and the French Commercial Code relating to including a *raison d'être* in the bylaws and the status of a social purpose corporation (*société à mission*).

The Strategy Committee also met on September 20, 2021, to discuss new ways of working and the associated spaces for head office employees.

# 3 CORPORATE GOVERNANCE

Operation of administrative and management bodies

## Attendance of Directors at meetings of the Board of Directors and specialized committees

Director	Board of Directors	Audit Committee	Appointments and Compensation Committee	Corporate, Environmental and Social Responsibility Committee	Strategy Committee
Jacques Veyrat	7/7	n.a.	n.a.	n.a.	1/1
Brigitte Taittinger-Jouyet	6/7	n.a.	3/3	2/2	1/1
Delphine Mousseau <sup>(d)</sup>	7/7	n.a.	n.a.	2/2	n.a.
Daniela Weber-Rey <sup>(a)</sup>	7/7	1/1	n.a.	1/1	n.a.
Sandra Lagumina	7/7	6/6	n.a.	n.a.	n.a.
Antoine Gosset-Grainville	7/7	n.a.	3/3	n.a.	1/1
Nonce Paolini	7/7	n.a.	3/3	n.a.	n.a.
Caroline Grégoire Sainte Marie <sup>(b)</sup>	6/7	5/5	n.a.	1/1	n.a.
Carole Ferrand	7/7	6/6	n.a.	n.a.	1/1
Enrique Martinez	7/7	n.a.	n.a.	n.a.	1/1
Javier Santiso	7/7	n.a.	n.a.	n.a.	n.a.
Jean-Marc Janailac	7/7	n.a.	n.a.	2/2	n.a.
Franck Maurin <sup>(c)</sup>	7/7	n.a.	1/1	n.a.	n.a.
Julien Ducreux	7/7	n.a.	n.a.	n.a.	n.a.

(a) Member of the Audit Committee until February 23, 2021 – Member of the Corporate, Environmental and Social Responsibility Committee since February 23, 2021.

(b) Member of the Corporate, Environmental and Social Responsibility Committee until February 23, 2021 – Member of the Audit Committee since February 23, 2021.

(c) The Board of Directors decided to appoint Franck Maurin as a member of the Appointments and Compensation Committee at its meeting of October 20, 2021.

(d) Delphine Mousseau resigned as Director on January 26, 2022.

### 3.2.2.4 / Procedure for the regular evaluation of current agreements concluded on normal terms

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, at its meeting of October 17, 2019, the Board of Directors implemented a procedure to evaluate, on a regular basis, whether agreements relating to current transactions concluded under normal conditions, entered into directly or through an intermediary, between Fnac Darty SA and any of its corporate officers or shareholders holding more than 10% of the voting rights, or in which any such person has an indirect interest, or entered into between Fnac Darty SA and another company, if the Chief Executive Officer, any of the chief operating officers or any of the Directors of the Company is the owner, a fully liable

partner, a manager, a Director or a member of the Supervisory Board or, more generally, a person in any way involved in the management of that company, fulfill these conditions.

The procedure stipulates that the Group's Legal and Financial Departments conduct an annual evaluation of the current agreements concluded under normal conditions, on the basis of the definitions of "current transactions" and "normal conditions" set out in the guidance on regulated and current agreements issued in 2014 by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes). If necessary, they may engage the Statutory Auditors in order to identify any agreements that might be reclassified as regulated agreements.

Individuals that have a direct or indirect interest in any such agreements are not involved in their evaluation.

Any agreements concluded by Fnac Darty SA with companies in which Fnac Darty SA directly or indirectly holds all of the capital, minus the minimum number of shares required to comply with legal requirements, if applicable, are excluded from the scope of the evaluation procedure.

The Legal and Financial Departments report their evaluation annually to the Audit Committee and the Board of Directors, which may request to hear from representatives of the Legal and Financial Departments as part of the process of approving the results of this evaluation.

As no agreements were reported to the Legal and Financial Departments, the Members of the Board of Directors were reminded of the procedure for evaluating agreements relating to current transactions concluded under normal conditions in 2021 at the Board meeting of January 26, 2022. The Board of Directors has concluded that there are no current agreements concluded under normal conditions as described in the procedure.

### 3.2.3 / STATEMENT ON CORPORATE GOVERNANCE

The Company refers to the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), updated in January 2020.

The AFEP-MEDEF Code to which the Company refers may be consulted online<sup>(1)</sup>. The Company makes copies of this Code available to members of its corporate bodies.

The Company unreservedly complies with all its recommendations.

### 3.2.4 / SHARE TRANSACTIONS BY DIRECTORS

The transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the 2021 period and until March 1, 2022 and notified to the Company were as follows.

#### Frانck Maurin, Director representing employees

##### Full vesting of bonus shares (June 16, 2021)

Total amount	€0
Number of shares	724
Unit price	€0

#### Julien Ducreux, Director representing employees

##### Full vesting of bonus shares (May 22, 2021)

Total amount	€0
Number of shares	77
Unit price	€0

##### Full vesting of bonus shares (June 16, 2021)

Total amount	€0
Number of shares	480
Unit price	€0

(1) [https://afep.com/wp-content/uploads/2020/01/Code-Afep\\_Medef-r%C3%A9vision-janvier-2020\\_-002.pdf](https://afep.com/wp-content/uploads/2020/01/Code-Afep_Medef-r%C3%A9vision-janvier-2020_-002.pdf).

# 3 CORPORATE GOVERNANCE

Compensation and benefits for administrative and executive bodies

## 3.3 / Compensation and benefits for administrative and executive bodies

### 3.3.1 / COMPENSATION POLICY FOR CORPORATE OFFICERS: CHAIRMAN OF THE BOARD OF DIRECTORS, CHIEF EXECUTIVE OFFICER (AND/OR ANY EXECUTIVE CORPORATE OFFICER), MEMBERS OF THE BOARD OF DIRECTORS

#### General prior notice

The term of office of the corporate officers is specified in section 3.1 of this document.

#### 3.3.1.1 / Compensation policy

On the recommendation of the Appointments and Compensation Committee, and taking into account the recommendations of the AFEP-MEDEF Code, the shareholder vote, where applicable the opinions expressed during the General Meeting, and dialogue with investors, the Board of Directors has established a compensation policy for each of the Company's corporate officers in accordance with its corporate interest, contributing to its sustainability and forming part of its business strategy as presented in Chapter 1 of this document.

It is defined in such a way as to be both competitive in order to attract and retain high-performance executives and proportionate to the scope of the duties and responsibilities entrusted to each of the Chairman, executive corporate officers and Board members in order to align with the corporate interests of the Company.

The Chairman's compensation may consist of fixed compensation, compensation in respect of Directors' duties and benefits adapted to his role within the Company. In accordance with the recommendations of the AFEP-MEDEF Code, there is no provision for variable compensation.

The compensation of the Chief Executive Officer and/or any other executive corporate officer is assessed in a comprehensive and exhaustive manner and is structured so as to have a balance between fixed annual compensation, annual variable compensation and long-term compensation in order to adapt to the various challenges faced by the Company. The executive corporate officer also receives benefits tailored to his role within the Company. Where applicable, and under very specific circumstances, exceptional compensation may be submitted to the vote of the General Meeting. If he is a Director, he may receive compensation in respect of these functions.

The fixed portion of the compensation is determined in accordance with market practices.

The variable portion of the compensation, whether annual or long-term, is subject to the achievement of objectives established in accordance with criteria based on the Company's strategic priorities. These criteria are reviewed on a regular basis although long-term stability is favored. The objectives to be achieved for each criterion are determined annually in order that they may be adapted to the Company's goals and to the expected timeframe for each system (short-term for the annual variables, long-term for stock purchase options and performance shares).

With regard to annual variable compensation, the economic and financial criteria are paramount.

The maximum potential compensation for remunerating and encouraging outperformance is determined with regard to market practices.

No element of compensation, of any type whatsoever, can be determined, allocated or paid by the Company, and no commitment made by the Company if it does not comply with the approved compensation policy or, in the absence thereof, with the compensation or practices existing within the Company.

The determination, review and implementation of the compensation policy of each of the corporate officers are conducted by the Board of Directors on the recommendation of the Appointments and Compensation Committee. In order to prevent any risk of conflict of interest, it is specified that neither the Chairman of the Board, nor the Chief Executive Officer, nor any other executive corporate officer shall participate in the deliberations or votes of the Board on these matters, specifically with regard to themselves.

As part of the decision-making process used for determining and reviewing the compensation policy, the compensation and employment conditions of the Company's employees are taken into account by the Appointments and Compensation Committee and the Board, which also examines the conditions and compensation elements of the Group's main executives on an annual basis. The Board thus ensures alignment and consistency between the principles of compensation of the executive corporate officers and Group executives with the Company's priority objectives, regarding both the structure of their compensation and the performance criteria for short-term variable and long-term compensation.

### 3.3.1.2 / Compensation policy of the Chairman of the Board of Directors

The compensation policy submitted to the vote of the next General Meeting is set by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

The elements comprising the total compensation and benefits of any kind that may be granted to the Chairman of the Board in respect of the office concerned are as follows:

#### Fixed compensation

The fixed annual compensation for the Chairman must be determined in accordance with market practices.

This analysis takes into account the key aspects of the Company and the scope of the executive's field of action, such as:

- revenue, budget, staff;
- the context in which the duties are performed, with the assessment of strategic challenges, and short- and long-term growth prospects; and
- the level and the complexity of responsibilities.

The Board of Directors reviews the fixed compensation of the Chairman of the Board annually with the objective of revising it only at relatively long intervals, in accordance with the recommendations of the AFEP-MEDEF Code.

It is specified that, for information purposes, at its meeting of February 23, 2022, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to maintain the fixed compensation of its Chairman for 2022 at €200,000.

#### Annual variable and long-term compensation, stock options and performance shares

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors is not planning to grant variable compensation, long-term compensation, stock options or allot bonus performance shares to the Chairman of the Board.

#### Directors' fees

The Chairman may receive compensation for his role as a Director, the amount of which is set, distributed and allotted according to rules applicable to all members of the Board.

The rules for the allotment of Directors' fees are currently as follows:

- 62% of the €515,000 representing the total annual amount of compensation is allocated to members of the Board of Directors, i.e. €320,000;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €195,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allocated based on attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

For information purposes, it is specified that, in accordance with the decision of the Board of Directors of July 17, 2017, Jacques Veyrat no longer receives any compensation for his role as Director, since he was appointed Chairman of the Board of Directors on that date.

#### Other benefits

The Chairman of the Board may have a company car consistent with the Company's current vehicle policy and market practices; for information purposes, it is specified that Jacques Veyrat has never had one.

### 3.3.1.3 / Compensation policy of the Chief Executive Officer and/or any other executive corporate officer

The compensation policy submitted to the vote of the next General Meeting is set by the Board of Directors on the recommendation of the Appointments and Compensation Committee.

The elements comprising the total compensation and benefits of any kind that may be granted to the Chief Executive Officer and/or any other executive corporate officer in respect of the mandate concerned are as follows:

## 3 CORPORATE GOVERNANCE

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### **Fixed compensation**

The fixed annual compensation for the executive corporate officers must be determined in accordance with market practices.

This analysis takes into account the key aspects of the Company and the scope of the executive's field of action, such as:

- revenue, budget, staff;
- the context in which the duties are performed, with the assessment of strategic challenges, and short- and long-term growth prospects; and
- the level and the complexity of responsibilities.

The Board of Directors reviews the fixed compensation of the executive corporate officer(s) annually with the objective of revising it only at relatively long intervals, in accordance with the recommendations of the AFEF-MEDEF Code.

For information purposes, it is specified that the gross annual fixed compensation of Enrique Martinez for 2022 is €750,000. This amount has not changed since 2019.

### **Annual variable compensation**

The annual variable compensation of executive corporate officers is determined by the Board of Directors which, every year, sets the nature of the quantitative objectives and qualitative goals along with their relative weighting for the variable portion of compensation. Variable compensation is proportional and may currently represent between 0% (no objective achieved) and 100% of fixed annual compensation if objectives are achieved. Overall, this variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded.

The structure of annual variable compensation is unchanged in 2022 compared to 2021 and remains in line with the guidelines of the strategic plan Everyday introduced in February 2021. Economic and financial criteria remain predominant. Variable compensation is broken down as 60% on business and financial targets, 10% on a customer experience target, 10% on objectives relating to corporate, social and environmental responsibility, and 20% on qualitative goals.

The weight of the various economic and financial criteria is balanced in order to emphasize:

- free cash-flow, the recurring generation of which is a major objective of the strategic plan Everyday;
- revenue, with ambitious growth targets, in particular through accelerated growth in online sales;
- current operating income, which remains a fundamental indicator of the Company's economic performance.

An objective linked to customer experience, a historical hallmark of Fnac Darty, was included in 2021 and this is further strengthened by the ambition of the Group's brands to embody the new standards of omnichannel retail, placing advice, sustainability, and service at the heart of its customers' daily lives.

As social and environmental commitments lie at the heart of the strategic plan Everyday, objectives associated with Corporate Social Responsibility have been retained.

In addition, on the recommendation of the Appointments and Compensation Committee, the Board of Directors resolved to cap the potential compensation for qualitative goals at 100% of the potential at achieved target on these criteria, with no possibility of compensation for outperformance. The maximum unused potential is reallocated to the financial criteria.

The specific criteria and the structure of the current short-term variable compensation are described below.

The business and financial targets set by the Board of Directors for the variable portion are as follows:

- Group current operating income (COI) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group free cash flow (FCF) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group revenue corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance.

The targets for these three criteria are the same as in the Group's budget for 2022.

The customer experience target set by the Board of Directors for the variable portion is as follows:

- the Net Promoter Score corresponding to 10% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives related to the Company's corporate, social and environmental responsibility set by the Board of Directors for the variable portion are as follows:

- the Group's non-financial rating corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance; and
- commitment of the Group's employees corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The expected achievement level of each of the business and financial targets, as well as for the objectives relating to customer experience and corporate, social and environmental responsibility set for the executive corporate officers, are pre-determined each year by the Board of Directors using a specific methodology, but are not published for confidentiality reasons.

Every business, financial, customer experience target, and corporate, social and environmental responsibility objective is subject to:

- a trigger threshold below which no compensation is payable for the target concerned; and
- an achievement level above which the compensation is capped for the objective concerned.

For each economic or financial target, customer experience, and every corporate social and environmental responsibility goal, when the result reported is between the trigger threshold and the target set, the variable compensation percentage for the target or goal concerned is determined on a straight-line basis between the two (to reach 100%). The same applies when the result observed is between the target and the cap (to achieve 166.7% for financial criteria and 150% for customer experience or corporate, social and environmental responsibility criteria).

With regard to qualitative criteria, the Board of Directors has set the following objectives for 2022:

- implement the plan Everyday:
  - develop the Services Policy,
  - realize Fnac's digital ambitions,
  - ensure Fnac's sustainability objectives are achieved,
  - fulfill the performance plan,
  - design and implement a new structure that strengthens risk control and cybersecurity, corresponding to 15% of the total bonus for an achievement rate of 100%;
- strengthen the quality of management and the social climate, corresponding to 5% of the total bonus for an achievement rate of 100%.

These objectives have been pre-determined by the Board of Directors using a specific methodology, and correspond for the most part with a quantified ambition.

The potential compensation for qualitative goals is capped at 100% of the target potential achieved on these criteria, with no possibility of compensation for outperformance.

These variable compensation criteria are aligned with the Group's strategic objectives, and contribute in particular to the Group's business, financial, and economic performance objectives.

The weight of revenue reflects the Company's business ambitions set out in its strategic plan Everyday, spearheaded by the acceleration of the Group's omnichannel model, the growing digitalization of consumption, and the unique regard in which customers hold its brands thanks to the advice and services provided. Through its various brands and retail channels, Fnac Darty is able to offer an unrivaled range of value-added, committed and engaging products and services, with a strong ambition to conquer new markets, such as the large domestic appliance market, and urban mobility.

The profitability objectives with current operating income and cash-flow generation seek to bolster the Company's financial strength, allow it to continue its development and ensure its continuity.

The strength of the current operating income will be reinforced in particular with the profitability at the end of the plan of all integrated stores, and the development of new promising formats such as kitchens or small local formats.

The generation of cash-flow will be enhanced by the transformation of the service offering, with the development of a new subscription-based business model, with recurring cash-flows, which consolidates a long-term quality relationship with the Company's customers and works to extend the life span of its products.

The Net Promoter Score, a measure of customer experience, shows Fnac Darty's ambition to reinvent the way it serves its customers, in particular through its digital ecosystem, allowing it to showcase the advice and recommendations that are the strength of the Group's brands, to make the customer experience more fluid, and to strengthen daily a trust-based relationship with its customers, on the basis of a new subscription-based home assistance service.

Since 2019, the measurement of social and environmental responsibility criteria has provided for alignment with the mission of the Group, i.e. "committing to providing an educated choice and sustainable consumption" to its customers, which provides a way to stand out and to create value. Consideration of the Group's non-financial rating reflects Fnac Darty's ambition to be recognized as a responsible retailer. These ratings are established by independent agencies that measure performance in a comprehensive manner, covering environmental issues as well as social and governance aspects. Furthermore, the monitoring of employee commitment, the Company's main asset, particularly within a context of major transformation, demonstrates the importance of human capital for the Group, whose employees strive to guide consumers in order to enable them to make the best choice, an educated choice, thereby marking significant competitive differentiation.

Finally, the qualitative goals, reviewed each year, encourage high-quality operational performance and the rapid and effective roll-out of key projects for the Company's transformation, which create value. For 2022, these goals have been adapted to reflect the aims for the year in terms of executing the strategic plan Everyday. The weighting of these strategic objectives, most of which are quantitative, has been increased compared with 2021. Management quality and social climate objectives have also been adjusted compared with 2021, and their weighting has been decreased in order to take account of the views expressed during the Company's dialogue with shareholders.

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the economic and financial, customer experience, and social and environmental responsibility criteria, based on the performance for the entirety of the year in question. The qualitative criteria are assessed at the same meeting on the basis of the Appointments and Compensation Committee's evaluation.

### 3 CORPORATE GOVERNANCE

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		% of fixed compensation		
		Minimum	Target	Maximum
<b>Economic and financial targets (60% of total variable compensation)</b>	Group current operating income (COI)	0.0%	20.0%	33.3%
	Group free cash flow (FCF)	0.0%	20.0%	33.3%
	Group revenue	0.0%	20.0%	33.3%
<b>Customer experience target (10% of total variable compensation)</b>	Net Promoter Score (NPS)	0.0%	10.0%	15.0%
<b>Corporate Social Responsibility objectives (10% of total variable compensation)</b>	Group non-financial rating	0.0%	5.0%	7.5%
	Employee engagement	0.0%	5.0%	7.5%
<b>Qualitative goals (20% of total variable compensation)</b>	Execution of the plan Everyday: developing the Services Policy, realizing digital ambitions, achieving sustainability objectives, fulfilling the performance plan, designing and implementing a new structure that strengthens risk control and cybersecurity	0.0%	15.0%	15.0%
	Quality of management and the social climate	0.0%	5.0%	5.0%
<b>TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION</b>		<b>0.0%</b>	<b>100.0%</b>	<b>150.0%</b>

#### Long-term compensation, stock options and performance shares

The executive corporate officers are eligible for the long-term incentive plans that the Board of Directors awards to the other members of the Executive Committee. The plans granted to the executive corporate officers may take the form of stock option plans, bonus shares subject to performance conditions, or plans paid in cash, also subject to performance conditions. The purpose of these plans is to align the interests of the executive corporate officers more closely with the interests of shareholders.

In accordance with the recommendations of the AFEP-MEDEF Code, the grant value of such plans within the IFRS 2 framework is proportionate to the annual fixed and variable components. The Board of Directors also ensures that it is consistent with market practices.

Thus, the value of the long-term compensation at the time of its initial allocation may represent a maximum of 50% of the total compensation (this total is equal to the sum of the annual fixed compensation, the maximum variable compensation and the long-term compensation).

These plans do not include a vesting period less than three years.

Vesting in these plans is subject to:

- satisfying a condition of employment at maturity, except in exceptional circumstances set out in the plan rules, for example in the event of death, disability or a change in control of the Company, it being specified that, in the event of termination of their term of office, plans awarded to Directors and executive corporate officers during the vesting period are lost, unless the Board of Directors expressly decides to maintain them by applying a pro rata reduction in the number of securities that may still vest at maturity;
- satisfying several performance conditions set by the Board of Directors, of which:
  - at least one will be associated with the Company's Corporate Social Responsibility objective,
  - at least one will be associated with one of the Company's economic criteria (an indicator linked to the balance sheet and/or the income statement),
  - at least one will be associated with the Company's share price, except in the case of stock option allocations for which the implementation of a condition associated with the Company's share price will be possible, but not necessary, insofar as this condition exists intrinsically, as stock options require an absolute increase in the share price in order to be exercised.



The performance criteria, which are identical to those used for Executive Committee member plans, are stringent. They only permit vesting once a trigger threshold is reached and are measured over a period covering the years referenced by the plans. When performance against a criterion is measured in relative terms by comparison with an index or a peer group, the performance threshold below which no compensation for the criterion is payable is either the median or the average of the index of the comparison group.

The performance conditions will be assessed at the end of each plan in accordance with the procedures set out in the plan regulations in order to allow the Board, or the executive corporate officer by virtue of the sub-delegation by the Board of Directors, to record the fulfilment of the acquisition criteria for the long-term compensation (performance conditions and presence conditions).

Pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- this percentage would be lowered to 5% once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 23 of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, the executive corporate officers who receive share options and/or performance shares formally commit not to hedge their risk on the options, the shares resulting from the exercise of options, or the performance shares, until the end of the share lock-up period set by the Board of Directors.

By aligning the long-term interests of the executives and shareholders, establishing performance conditions based on market performance, whether or not this is intrinsic to the vehicle allotted, but also on economic, financial or social and environmental responsibility criteria based on the Group's strategic priorities, the variable long-term compensation contributes to the objectives of the compensation policy. Furthermore, by stipulating, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, rules for retaining the shares fully vested under each of the bonus share and option plans in registered form, this method of compensation supports the continuity of the Company.

### **Exceptional compensation**

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors does not intend to award exceptional compensation to the executive corporate officers except in very special circumstances. The payment of such compensation must be able to be justified by an event such as the achievement of a major transaction for the Company or specific substantial outperformance that is not measured as part of the annual variable compensation. The value of exceptional compensation awarded may represent up to 100% of the annual fixed compensation and the maximum annual variable compensation.

### **Directors' fees**

If they are Directors of the Company, executive corporate officers may receive compensation in respect of their directorships, which is determined, distributed and allocated to the executive officers according to the rules applicable to all members of the Board.

The rules for the allotment of Directors' fees are currently as follows:

- 62% of the €515,000 representing the total annual amount of compensation is allocated to members of the Board of Directors, i.e. €320,000;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €195,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allocated based on attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

For information purposes, it is specified that, in accordance with the decision of the Board of Directors of February 20, 2019, Enrique Martinez does not receive any compensation for his office as Director.

### **Other benefits**

In the absence of an employment contract with the Company, executive corporate officers benefit from an unemployment insurance plan specifically for non-salaried corporate officers, to compensate, to some extent, for the lack of unemployment insurance similar to that provided for employees.

## 3 CORPORATE GOVERNANCE

Compensation and benefits for administrative and executive bodies

Executive corporate officers have company cars consistent with the Company's current vehicle policy and market practices.

In accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code, the payment of any components of variable and, where applicable, exceptional compensation awarded to executive corporate officers for the previous year is subject to the approval by an Ordinary General Meeting of the components of that person's compensation under the conditions set out in the said article.

### **Commitments**

#### **Severance package**

Executive corporate officers may receive a severance package upon termination of their appointment, which will be subject to compliance with criteria of a financial and, where applicable, non-financial nature that contribute to the objectives of the compensation policy. If such a commitment were to be implemented by the Board of Directors, it would comply with the recommendations of the AFEP-MEDEF Code concerning the cap of two years' compensation (annual fixed and variable) on the package.

Enrique Martinez does not benefit from such a commitment, whether as Chief Executive Officer or under the terms of his employment contract, which was suspended when he took office in July 2017.

In the event of termination of the employment contract, three months' notice shall be provided. If the termination is at the initiative of the Chief Executive Officer, no severance pay is due. If the termination is at the initiative of the Company, legal or conventional compensation shall be provided.

#### **Non-compete agreement**

Executive corporate officers may be subject to a non-compete agreement limited to a period of two years from the end of their term of office, in return for which they may receive, in installments over the duration of the agreement, a gross allowance of up to 80% of their fixed monthly compensation, with the Board of Directors having the option to waive implementation of this clause.

The non-compete agreement falls within the recommendations of the AFEP-MEDEF Code, which provides a cap of two years' compensation (annual fixed and variable), together with any severance pay.

In addition, the payment of compensation under the non-compete agreement is precluded as soon as the executive exercises his or her pension rights. In any event, no such compensation may be paid when the recipient is older than 65 years of age.

In this context, Enrique Martinez is subject to a non-compete agreement in the specialty retail market for entertainment and electronic products and domestic appliances for the consumer market in the countries where the Group operates. This non-compete agreement is limited to two years starting at the end of his term of office. In consideration for this agreement, Enrique Martinez will receive, in installments for its duration, a gross

allowance representing 70% of his fixed monthly compensation, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause.

This commitment was approved by the General Meeting of May 18, 2018 in its Fifth Resolution and was the subject of an amendment approved by the General Meeting of May 23, 2019 to bring it into line with the recommendations of the AFEP-MEDEF Code.

#### **Supplementary pension plan**

The executive corporate officers may benefit from a supplementary defined-contribution pension plan.

Accordingly, Enrique Martinez is a member of the supplementary defined-contribution pension plan recognized under Article 83 of the French General Tax Code, which benefits all executives of Fnac Darty companies in France included in this policy, all on the same terms.

This agreement was approved by the Shareholders' Meeting held on May 18, 2018 as part of resolution five.

#### **Provident insurance plan**

Executive corporate officers may benefit from participation in a provident insurance plan.

Accordingly, Enrique Martinez is a member of the provident insurance plan (medical expenses, incapacity and disability, death benefits) covering all employees of Fnac Darty companies in France included in this policy, all on the same terms.

This agreement was approved by the Shareholders' Meeting held on May 18, 2018 as part of resolution five.

Lastly, it is specified that in the event of the appointment of Chief Operating Officers, this compensation policy for the Chief Executive Officer and/or any other executive corporate officer would apply to them. In this regard, they would be entitled to an employment contract as provided by the law.

### **3.3.1.4 / Compensation policy of members of the Board of Directors**

#### **Compensation allocated to members of the Board of Directors**

The General Meeting determines the total amount of compensation to be paid to the members of the Board of Directors.

Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors has established the compensation policy of the members of the Board of Directors, which, in accordance with the regulations, is subject to the vote of the next General Meeting. This policy involves the distribution of Directors' fees according to the actual attendance of members at meetings of the Board and the specialized committees held during the year concerned.

The criteria for distributing the annual fixed amount allocated by the General Meeting to the members of the Board have been set by the Board on the proposal of the Appointments and Compensation Committee and are as follows:

- 62% of the €515,000 representing the total annual amount of compensation is allocated to members of the Board of Directors, i.e. €320,000;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance, of €195,000, is allocated to the members of the specialized committees and distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allocated based on attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;

- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

The portion of the compensation calculated but not paid to Directors who elect not to receive their compensation is not reallocated to the other Directors.

In accordance with Article 7 of its internal regulations, the Board of Directors may allocate exceptional compensation to some of its members for missions or mandates entrusted to them and which will therefore be subject to the regulated agreements regime.

Furthermore, it is specified that certain Directors may receive compensation under an employment contract as provided by the law, in particular the Directors representing the employees with an open-ended employment contract.

### 3.3.2 / INFORMATION REFERRED TO IN PARAGRAPH I OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE FOR EACH CORPORATE OFFICER OF THE COMPANY

It is specified that the total compensation of the Chairman and the Chief Executive Officer complies with the compensation policy approved by the General Meeting of May 27, 2021 under the Eleventh and Twelfth Resolutions.

The information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code and indicated below for each corporate officer shall be submitted to the vote of the next General Meeting in the context of a general resolution. In addition, the compensation items paid during 2021 or allocated for 2021 to the Chairman of the Board of Directors and the Chief Executive Officer referred to below shall each be the subject of a specific resolution submitted to the vote of the General Meeting in accordance with Article L. 22-10-34 II of the French Commercial Code.

#### 3.3.2.1 / Compensation and benefits paid to the Chairman of the Board of Directors

The Company is a French limited company with a Board of Directors. The duties of the Chairman of the Board of Directors and the Chief Executive Officer are separated and have been exercised by Jacques Veyrat and Enrique Martinez, respectively, since July 17, 2017.

Jacques Veyrat does not have an employment contract.

At its meeting of February 23, 2021, on the recommendation of the Appointments and Compensation Committee, the Board of Directors considered and decided on the elements of the compensation package for its Chairman, Jacques Veyrat.

The stated amounts allocated correspond to all compensation awarded to Jacques Veyrat for each of the years mentioned, irrespective of the date of payment. The amounts paid correspond to all compensation received by Jacques Veyrat during each of the years mentioned.

These components were determined in accordance with the compensation policy approved by the General Meeting of May 27, 2021 in its eleventh resolution.

#### Fixed compensation

The Chairman's 2021 gross annual fixed compensation was set at €200,000 and has not changed since 2017. The gross amount paid and allocated for 2021 was €200,000.

### 3 CORPORATE GOVERNANCE

#### Compensation and benefits for administrative and executive bodies

For reference, the amount allocated for 2020 was €200,000 gross and the amount paid for that year was €193,033 gross in accordance with the decision of the Board of Directors of April 18, 2020, which was announced at the General Meeting of May 28, 2020, to reduce the fixed annual compensation paid in 2020 to the Chairman by 25%, for the period during which the Group's employees were consistently furloughed as a result of the Covid-19 health crisis.

#### Directors' fees

At its meeting of July 17, 2017, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, resolved that, as Jacques Veyrat would now receive fixed annual compensation as Chairman, he would no longer be entitled to compensation for his directorship after his appointment. Jacques Veyrat did not receive any compensation for his directorship for 2021.

#### Summary table of compensation, options and performance shares awarded to the Chairman of the Board of Directors

Table 1 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT Chairman of the Board of Directors	2020	2021
Gross compensation allocated for the period	€200,000	€200,000
Valuation of multi-year variable compensation allocated during the period	n.a.	n.a.
Valuation of options awarded during the period <sup>(a)</sup>	n.a.	n.a.
Valuation of performance shares awarded during the period <sup>(b)</sup>	n.a.	n.a.
Valuation of other long-term compensation plans	n.a.	n.a.
<b>TOTAL</b>	<b>€200,000</b>	<b>€200,000</b>

(a) No options were awarded in 2020 or 2021.

(b) No performance shares were awarded in 2020 or 2021.

#### Table summarizing the compensation of the Chairman of the Board of Directors

Table 2 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques VEYRAT Chairman of the Board of Directors	2020		2021	
	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed compensation <sup>(a)</sup>	€200,000	€193,033	€200,000	€200,000
Annual variable compensation	n.a.	n.a.	n.a.	n.a.
Multi-year variable compensation	n.a.	n.a.	n.a.	n.a.
Exceptional compensation	n.a.	n.a.	n.a.	n.a.
Compensation awarded in respect of the office of Director	n.a.	n.a.	n.a.	n.a.
Benefits in kind	n.a.	n.a.	n.a.	n.a.
Supplementary pension plans	n.a.	n.a.	n.a.	n.a.
Provident insurance plans	n.a.	n.a.	n.a.	n.a.
<b>TOTAL</b>	<b>€200,000</b>	<b>€193,033</b>	<b>€200,000</b>	<b>€200,000</b>

(a) The amount paid during 2020 was reduced in accordance with the Board of Directors' decision of April 18, 2020.

### Summary of the benefits paid to the Chairman of the Board of Directors

Table 11 in accordance with the recommendations of the AFEF-MEDEF Code and AMF position-recommendation No. 2021-02

Jacques Veyrat Chairman of the Board of Directors	Employment contract		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of termination or change of position		Compensation associated with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Term of office start date: 07/18/2017								
Term of office end date: General Meeting 2022		X		X		X		X

#### 3.3.2.2 / Compensation and benefits paid to the Chief Executive Officer

Given Enrique Martinez's length of service in the Group as of 2017 (19 years) and his status as an inpatriate, the Board of Directors decided, at its July 17, 2017 meeting, on the recommendation of the Appointments and Compensation Committee, to suspend Enrique Martinez's employment contract for the duration of his term as Chief Executive Officer.

At its meeting of February 23, 2021, on the recommendation of the Appointments and Compensation Committee, the Board of Directors considered and decided on the elements of the annual fixed and variable compensation of its Chief Executive Officer, Enrique Martinez.

The stated amounts allocated correspond to all compensation awarded to the Chief Executive Officer for each of the years mentioned, irrespective of the date of payment. The amounts paid correspond to all compensation received by the Chief Executive Officer during each of the years mentioned.

These components were determined in accordance with the compensation policy approved by the General Meeting of May 27, 2021 in its twelfth resolution.

This section presents the compensation and benefits paid and allocated for the previous period to Enrique Martinez as Chief Executive Officer.

#### Fixed compensation

Chief Executive Officer's 2021 gross annual fixed compensation was set at €750,000 and has not changed since 2019.

The gross amount paid and allocated for 2021 was €750,000.

For reference, the amount allocated for 2020 was €750,000 gross and the amount paid for that year was €723,873 gross in accordance with the decision of the Board of Directors of April 18,

2020, which was announced at the General Meeting of May 28, 2020, to reduce the fixed annual compensation paid in 2020 to the Chief Executive Officer by 25%, for the period during which the Group's employees were consistently furloughed as a result of the Covid-19 health crisis.

#### Annual variable compensation

For 2021, the Chief Executive Officer's annual variable compensation may range from 0% if no objective is reached to 100% of the annual fixed compensation if the objectives are achieved. This variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded.

To take account of the priorities of the new strategic plan Everyday presented on February 23, 2021, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, resolved to make changes to its structure. Economic and financial criteria remain the predominant considerations when structuring annual variable compensation. It is broken down as 60% on business and financial targets, 10% on a customer experience target, 10% on objectives relating to corporate, social and environmental responsibility, and 20% on qualitative goals.

The weight of the various economic and financial criteria was rebalanced in order to:

- place greater emphasis on free cash-flow, the recurring generation of which is a major objective of the strategic plan Everyday;
- increase the share of revenue, with ambitious growth targets, in particular through accelerated growth in online sales;
- also make it possible to include an objective linked to customer experience, a historical hallmark of Fnac Darty, further strengthened by the ambition of the Group's brands to embody the new standards of omnichannel retail, placing advice, sustainability, and service at the heart of its customers' daily lives.

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In addition, on the recommendation of the Appointments and Compensation Committee, the Board of Directors resolved to cap the potential compensation for qualitative goals at 100% of the potential at achieved target on these criteria, with no possibility of compensation for outperformance. The maximum unused potential is reallocated to the financial criteria.

The 2021 economic and financial targets set for the variable portion of the remuneration are as follows:

- Group current operating income (COI) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group free cash flow (FCF) corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance;
- Group revenue corresponding to 20% of the total bonus for a level of achievement of 100% of the target, with a maximum of 166.7% in the event of outperformance.

The targets for these three criteria are the same as in the Group's budget for 2021.

The customer experience objective set for the variable compensation is as follows:

- the Net Promoter Score corresponding to 10% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives related to the Company's corporate, social and environmental responsibility for 2021 set for the variable portion of the remuneration are as follows:

- the Group's non-financial rating corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance; and
- employee commitment corresponding to 5% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance.

The level of attainment of the above criteria has been precisely established for each one. Every business, financial, customer experience target, and corporate, social and environmental responsibility objective is subject to:

- a trigger threshold below which no compensation is payable for the target concerned; and
- an achievement level above which the compensation is capped for the objective concerned.

For each economic or financial target, customer experience, and every corporate social and environmental responsibility goal, when the result reported is between the trigger threshold and the target set, the variable percentage for the target or goal concerned is determined on a straight-line basis between the two (to reach 100%). The same applies when the result observed is between the target and the cap (to achieve 166.7% for financial criteria and 150% for customer experience or corporate, social and environmental responsibility criteria).

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the economic, financial and social and environmental responsibility criteria, based on the performance for the whole of 2021. The qualitative criteria are assessed at the same meeting on the basis of the Appointments and Compensation Committee's evaluation.

The current operating income target in 2021 was significantly exceeded. The result, up sharply compared to 2020, falls between the target objective and the cap. As such, the objective was met at 117.7%, and the percentage of compensation under this criterion is 95.39% of the maximum compensation.

The free cash flow target in 2021 was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 129.85%, and the percentage of compensation under this criterion is 100% of the maximum compensation.

The revenue target in 2021 was exceeded and was also up significantly compared to the previous year. The result falls between the target set and the maximum objective. As such, the objective was met at 103.67%, and the percentage of compensation under this criterion is 89.35% of the maximum compensation.

Also experiencing a sharp upturn compared with 2020, the Net Promoter Score objective was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 104.58%, and the percentage of compensation under this criterion is 100% of the maximum compensation.

The social and environmental responsibility objective as measured by the Group's non-financial rating was again exceeded, with a further significant improvement in the social and environmental responsibility rating in 2021, in excess of the cap. As such, the objective was met at 108%, and the percentage of compensation under this criterion is 100% of the maximum compensation.

The employee engagement objective was exceeded, with a further increase seen in the indicator measured from the employees' own responses. These results are achieved thanks to an analysis of the monthly results of the Group's employee surveys and the concrete actions they enable. The result falls between the target set and the cap. As such, the objective was met at 100.56%, and the percentage of compensation under this criterion is 73.33% of the maximum compensation.

The qualitative goals were assessed by the Board of Directors' meeting on February 23, 2022. The 2021 qualitative goals set for the variable portion of the remuneration are as follows:

- for a weighting corresponding to 10% of the total bonus; quality of management, social climate, quality of financial communication, quality of shareholder reporting, relations with Directors;
- for a weighting corresponding to 10% of the total bonus; the launch and deployment of the new strategic plan Everyday and the achievement of the objectives set for the first year for the three goals that the Group has set itself for 2025.

The potential compensation for qualitative goals is capped at 100% of the target potential achieved on these criteria, with no possibility of compensation for outperformance.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors acknowledged the excellent quality of the work carried out by Enrique Martinez with regard to all the various component factors required to fulfill the first qualitative criterion measuring management quality, social climate, quality of financial communication, quality of shareholder reporting, and relations with Directors, but also noted that there was room for improvement over the past year as far as this objective is concerned.

With regard to this first criterion, on the recommendation of the Appointments and Compensation Committee, the Board of Directors noted the positive social climate developed in 2021, which resulted in the unprecedented signing of a Quality of Life at Work – Gender Equality agreement that encompasses all employees. In addition, it noted the positive development of the e-NPS (monthly measure of employee satisfaction), which was up over 2021.

With regard to the second qualitative criterion, on the recommendation of the Appointments and Compensation Committee, the Board of Directors reviewed the initial results following the launch of the strategic plan Everyday, based on the Group's three ambitions for 2025:

- 1) embodying new standards for successful digital and human omnichannel retail in the future;
- 2) helping consumers adopt sustainable practices;
- 3) rolling out the reference subscription-based home assistance service.

Among the initial action points implemented under the first ambition are the following:

- rolling out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely, with more than 150,000 customers already helped via video/chat exchanges;
- consolidating digital sales to a level well above that recorded before the Covid-19 health crisis;
- developing the store network in order to optimize it and, as an extension of this, the partnership agreement with Manor in Switzerland.

Among the initial action points implemented under the second ambition are the following:

- enhancing the information provided on product sustainability and improving sustainability index scores or expanding refurbished product offerings;
- accelerating product repair, with 2.1 million products repaired in 2021;
- gaining the recognition of non-financial rating agencies.

Among the initial action points implemented under the third ambition are the following:

- accelerating the increase in the number of subscribers to service offerings, whether through Darty Max or the Serenity Pack;
- expanding technician training, with 18 training groups in 2021

With regard to these component factors, on the recommendation of the Appointments and Compensation Committee, the Board of Directors evaluated the qualitative criteria at an achievement rate of 90% (40% for the first criterion and 50% for the second).

The total achievement rate of the 2021 variable portion was 93.94% of the maximum, and the gross amount allocated for 2021 is €1,056,782.

Pursuant to Article L. 22-10-34 II of the French Commercial Code, the payment of this annual variable compensation is subject to the elements of the compensation and benefits of any kind paid in 2021 or awarded for 2021 to Enrique Martinez being approved by the General Meeting on May 18, 2022.

As a reminder, the total achievement rate of the variable compensation awarded for 2020 was 66.09% of the maximum, and the gross amount allocated for the service of the Chief Executive Officer in 2020 was €743,530.

The amount of €743,530 was paid in June 2021, after the approval of the General Meeting of May 27, 2021, in accordance with the provisions of Article L. 22-10-34 II of the French Commercial Code.

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## Assessment

<b>Economic and financial targets (60% of total variable compensation)</b>	Group current operating income (COI) (20% of total variable compensation)	The current operating income target in 2021 was significantly exceeded. The result, up sharply compared to 2020, falls between the target objective and the cap. As such, the objective was met at 117.7%, and the percentage of compensation under this criterion is 95.39% of the maximum compensation.
	Group free cash flow (FCF) (20% of total variable compensation)	The free cash flow target in 2021 was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 129.85%, and the percentage of compensation under this criterion is 100% of the maximum compensation.
	Group revenue (20% of total variable compensation)	The revenue target in 2021 was exceeded and was also up significantly compared to the previous year. The result falls between the target set and the maximum objective. As such, the objective was met at 103.67%, and the percentage of compensation under this criterion is 89.35% of the maximum compensation.
<b>Customer experience target (10% of total variable compensation)</b>	Net Promoter Score (NPS) (10% of total variable compensation)	Also experiencing a sharp upturn compared with 2020, the Net Promoter Score objective was significantly exceeded. The result is above the maximum objective. As such, the objective was met at 104.58%, and the percentage of compensation under this criterion is 100% of the maximum compensation.
<b>Corporate Social Responsibility objectives (10% of total variable compensation)</b>	Group non-financial rating (5% of total variable compensation)	The social and environmental responsibility objective as measured by the Group's non-financial rating was again exceeded, with a further significant improvement in the social and environmental responsibility rating in 2021, in excess of the cap. As such, the objective was met at 108%, and the percentage of compensation under this criterion is 100% of the maximum compensation.
	Employee engagement (5% of total variable compensation)	The employee engagement objective was exceeded, with a further increase seen in the indicator measured from the employees' own responses. These results are achieved thanks to an analysis of the monthly results of the Group's employee surveys and the concrete actions they enable. The result falls between the target set and the cap. As such, the objective was met at 100.56%, and the percentage of compensation under this criterion is 73.33% of the maximum compensation.
<b>Qualitative goals (20% of total variable compensation)</b>	Quality of management, social climate, quality of financial communication, quality of shareholder reporting, relations with Directors (10% of total variable compensation)	<p>On the recommendation of the Appointments and Compensation Committee, the Board of Directors acknowledged the excellent quality of the work carried out by Enrique Martinez with regard to all the various component factors required to fulfill the first qualitative criterion, but also noted that there was room for improvement over the past year as far as this objective is concerned.</p> <p>With regard to this first criterion, the Committee noted the positive social climate developed in 2021, which resulted in the unprecedented signing of a Quality of Life at Work – Gender Equality agreement that encompasses all employees. In addition, it noted the positive development of the e-NPS (monthly measure of employee satisfaction), which was up over 2021.</p>
	The launch and deployment of the new strategic plan Everyday and the achievement of the objectives set for the first year. Performance on this second criterion should be assessed in relation to the results for the Group's three ambitions for 2025:	<p>With regard to the second qualitative criterion, the Committee reviewed the initial results following the launch of the strategic plan Everyday, based on the Group's three ambitions for 2025:</p> <ol style="list-style-type: none"> <li>1. embody new standards for successful digital and human omnichannel retail in the future;</li> <li>2. help consumers adopt sustainable practices;</li> <li>3. roll out the reference subscription-based home assistance service.</li> </ol> <p>Among the initial action points implemented under the first ambition are the following:</p> <ul style="list-style-type: none"> <li>■ rolling out a nationwide video service for the Fnac and Darty brands, which enables customers to receive the same quality advice as from in-store salespeople, even remotely, with more than 150,000 customers already helped via video/chat exchanges;</li> <li>■ consolidating digital sales to a level well above that recorded before the Covid-19 health crisis;</li> <li>■ developing the store network in order to optimize it and, as an extension of this, the partnership agreement with Manor in Switzerland.</li> </ul> <p>Among the initial action points implemented under the second ambition are the following:</p> <ul style="list-style-type: none"> <li>■ enhancing the information provided on product sustainability and improving sustainability index scores or expanding refurbished product offerings;</li> <li>■ accelerating product repair, with 2.1 million products repaired in 2021;</li> <li>■ gaining the recognition of non-financial rating agencies.</li> </ul> <p>Among the initial action points implemented under the third ambition are the following:</p> <ul style="list-style-type: none"> <li>■ accelerating the increase in the number of subscribers to service offerings, whether through Darty Max or the Serenity Pack;</li> <li>■ expanding technician training, with 18 training groups in 2021.</li> </ul>

### TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION



Compensation and benefits for administrative and executive bodies

Weighting of criteria as a % of fixed compensation			Achieved		Amount (€)
Minimum	Target	Maximum	Achieved	Compensation as a % of the Maximum for the criterion	
0.0%	20.0%	33.3%	€270.7 million	95.39%	238,456
0.0%	20.0%	33.3%	€170.1 million	100.0%	249,975
0.0%	20.0%	33.3%	€8,042.6 million	89.35%	223,351
0.0%	10.0%	15.0%	58.0	100.0%	112,500
0.0%	5.0%	7.5%	54.0	100.0%	56,250
0.0%	5.0%	7.5%	72.4%	73.33%	41,250
0.0%	10.0%	10.0%		80.0%	60,000
0.0%	10.0%	10.0%		100.0%	75,000
<b>0.0%</b>	<b>100.0%</b>	<b>150.0%</b>		<b>93.94%</b>	<b>€1,056,782</b>

## 3 CORPORATE GOVERNANCE

Compensation and benefits for administrative and executive bodies

### **Long-term compensation, stock options and performance shares**

The Chief Executive Officer is eligible for the long-term incentive plans granted by the Board of Directors, which may take the form of stock option plans, bonus shares subject to performance conditions, or plans paid in cash, also subject to performance conditions.

In accordance with the recommendations of the AFEP-MEDEF Code, the grant value of these plans as adopted under IFRS 2 is proportionate to the annual fixed and variable portion of the compensation, and is capped at up to 50% of total compensation (this being the sum of fixed annual compensation, the maximum variable compensation, and the long-term compensation) in accordance with the compensation policy approved by the General Meeting of May 27, 2021 in its twelfth resolution. It is determined by the Board of Directors in light of market practices in accordance with the compensation policy approved by the General Meeting.

### **Performance shares awarded during the period to the Chief Executive Officer**

At its meeting on May 27, 2021, on the recommendation of the Appointments and Compensation Committee, and in accordance with the authorization granted to it by the extraordinary twentieth resolution of the General Meeting of May 28, 2020, the Board of Directors decided to implement a long-term compensation system in the form of free performance shares.

These shares will be vested upon expiration of a three-year vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of the shares will be conditional upon:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, measured in 2024 for the 2021-2023 period, for the entire period;
- for 50%, satisfying a performance condition related to the achievement of a level of free cash flow measured in 2024 following publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during 2021, 2022 and 2023, for the entire period; and
- for 20%, on the Company's corporate, social and environmental responsibility performance, measured in 2024, taking into account the Group's non-financial ratings for 2021, 2022 and 2023, for the entire period.

On May 27, 2024, when the vesting period ends, 39,911 shares may be vested under this plan. The valuation of the gross amounts at the grant date and according to IFRS 2 rules, before apportionment of expenses over the vesting period of the

equivalent in bonus shares granted in 2021, was €1,600,032. This valuation, for market items, was calculated using the Black & Scholes method based on the following parameters: a reference share price equal to €57.75 per share (price on the first day of vesting, May 27, 2021), volatility of 35% and the Euribor Swap risk-free interest rate. For non-market items, the valuation was calculated based on the best estimate of the achievement of future performance conditions.

Each performance condition is measured at the end of the plan, taking into account the performance over the entire period. Each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. As regards the comparative TSR criterion, the Company's target objective is to be placed within the top 35 companies. Furthermore, if performance falls below the median performance of the SBF 120 during the period measured, no shares will vest.

### **Performance shares definitively awarded during the period to the Chief Executive Officer**

For reference, in 2018, Enrique Martinez was awarded 6,655 bonus shares due to vest fully on May 17, 2020 and 3,328 bonus shares due to vest fully on May 17, 2021 pursuant to Plan No. 2 2018 mentioned in Table 9 AFEP-MEDEF.

The full vesting of each tranche of these bonus shares is conditional on:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120; and
- for 70%, achievement of a performance condition linked to a level of current operating income.

The TSR is measured annually, in 2019 for 2018 and in 2020 for the 2018-2019 period for the first vesting period, and in 2021 for the 2018-2020 period for the second vesting period. The current operating income to be achieved is assessed in 2019 after the publication of the Group's 2018 annual results and in 2020 after the publication of the Group's 2019 annual results for the first vesting period, and in 2021 after the publication of the Group's 2020 annual results for the second vesting period.

The full vesting of each tranche of these bonus shares is also subject to a two-year service condition (May 18, 2018 to May 17, 2020) for the first period and a three-year service condition (May 18, 2018 to May 17, 2021) for the second period.

Each performance condition is measured annually. For each year, each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. Shares lost in one year are not available the following year. All of these criteria were pre-established before the start of the plan.

The second tranche of the bonus shares awarded in 2018 expired on May 17, 2021.

- The total shareholder return (TSR) was measured in 2021 for the period 2018-2020. With a ranking of 95<sup>th</sup> place, the objective for this period was not achieved. The Company's target objective was to be placed within the top 35 companies. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

- The level of current operating income was measured in 2021 following the publication of the Group's annual results for 2020. It should be noted that the current operating income for 2018 and 2019 has previously been evaluated under the first tranche of this plan. With current operating income of €215.3 million, the objective measured in 2021 was not achieved. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The total vesting rate for this second tranche is 0%. Consequently, no shares were vested for Enrique Martinez.

### Performance shares vested during the period

Table 7 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

N° and date of plan	Number of shares vested during the period	Percentage of shares initially granted and vested taking into account the performance conditions
Plan No. 2 2018	0	0%

### Share subscription options

For reference, in 2018, Enrique Martinez was awarded 20,883 options due to vest fully on May 18, 2020 and 20,883 options due to vest fully on May 18, 2021.

The full vesting of each tranche of these options is conditional on:

- for 30%, a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120; and
- for 70%, achievement of a performance condition linked to a level of current operating income.

The TSR is measured annually, in 2019 for 2018 and in 2020 for the 2018-2019 period for the first vesting period, and in 2021 for the 2018-2020 period for the second vesting period. The current operating income to be achieved is assessed in 2019 after the publication of the Group's 2018 annual results and in 2020 after the publication of the Group's 2019 annual results for the first vesting period, and in 2021 after the publication of the Group's 2020 annual results for the second vesting period.

The full vesting of each tranche of these options is also subject to a two-year service condition (May 18, 2018 to May 17, 2020) for the first period and a three-year service condition (May 18, 2018 to May 17, 2021) for the second period.

Each performance condition is measured annually. For each year, each performance criterion has a trigger threshold below which no options linked to this criterion may be vested. Options lost in one year are not available the following year.

Furthermore, stock options, by their nature, require an absolute increase in the share price in order to be exercised and, for this specific plan, a price higher than the exercise price set at €89.43.

The second tranche of the performance options awarded in 2018 expired on May 18, 2021.

- The total shareholder return (TSR) was measured in 2021 for the period 2018-2020. With a ranking of 95<sup>th</sup> place, the objective for this period was not achieved. The Company's target objective was to be placed within the top 35 companies. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.
- The level of current operating income was measured in 2021 following the publication of the Group's annual results for 2020. It should be noted that the current operating income for 2018 and 2019 has previously been evaluated under the first tranche of this plan. With current operating income of €215.3 million, the objective measured in 2021 was not achieved. The result falls below the trigger threshold. Therefore, the vesting rate is 0% for this criterion.

The total vesting rate for this second tranche is 0%. As a result, no performance options were vested and therefore could not be exercised by Enrique Martinez.

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In addition, the 9,838 options vested under the first tranche could be exercised between May 18, 2020 and May 17, 2021 at an exercise price of €89.43. Given the price of Fnac Darty shares during this period, Enrique Martinez was unable to exercise any options.

All options have now expired.

In addition, pursuant to Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board decided at its meeting of April 28, 2017 that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and

- this percentage would be lowered to 5% once the number of shares held by the executive corporate officers from bonus share allotments and options exercised in all plans represents an amount equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the end of their term of office, as recommended in paragraph 23 of the AFEP-MEDEF Code.

Lastly, in accordance with the recommendations of the AFEP-MEDEF Code, Enrique Martinez has formally committed not to hedge his risk on the options or shares resulting from the exercise of options, or on the performance shares, until the end of the share lock-up period set by the Board of Directors.

It should also be noted that, to the Company's knowledge, no hedging instruments have been put in place by Enrique Martinez for the options or shares resulting from the exercise of options, or the performance shares, and that this shall be the case until the end of the share lock-up period set by the Board of Directors.

#### History of the share subscription or share purchase options awarded to the Chief Executive Officer

Table 8 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

##### Information on subscription and purchase options

	Plan No. 1 2018 <sup>(a)</sup>
Date of meeting	06/17/2016
Date of Board of Directors' meeting	05/18/2018
Total number of shares that may be subscribed or purchased, of which the number of shares that may be subscribed or purchased by:	97,438
Enrique Martinez	41,766
Start date for exercising options	
1 <sup>st</sup> tranche	05/18/2020
2 <sup>nd</sup> tranche	05/18/2021
Expiry date	
1 <sup>st</sup> tranche	05/17/2021
2 <sup>nd</sup> tranche	05/17/2022
Subscription or purchase price	€89.43 (average of the last 20 closing prices of the Fnac Darty share prior to May 18, 2018)
Conditions of exercise	Between 05/18/2020 and 05/17/2021 for the first tranche and between 05/18/2021 and 05/17/2022 for the second tranche
Number of shares subscribed as of 12/31/2021	0
Cumulative number of share subscription or purchase options canceled or expired	97,438
Share subscription or purchase options outstanding at the end of the period	0

(a) In view of the performance conditions, 47.1% of the options initially awarded under the first tranche of the 2018 plan were fully vested, but were unable to be exercised during the period as a result of the Fnac Darty share price. No options were vested in respect of the second tranche.

### History of the performance shares awarded to the Chief Executive Officer

Table 9 in accordance with the recommendations of the AFEP-MEDEF Code and Table 10 in accordance with AMF position-recommendation No. 2021-02

Information on performance shares						
	Plan No. 1 2017 <sup>(a)</sup>	Plan No. 2 2018 <sup>(b)</sup>	Plan No. 3 2019 <sup>(c)</sup>	Plan No. 4 2019	Plan No. 5 2020	Plan No. 6 2021
Date of meeting	06/17/2016	06/17/2016	06/17/2016	06/17/2016	05/23/2019	05/28/2020
Date of Board of Directors' meeting	12/15/2017	05/18/2018	05/23/2019	05/23/2019	05/28/2020	05/27/2021
Total number of shares awarded to all beneficiaries, of which the number awarded to:	92,500	109,817	214,449	31,752	616,496	244,660
Enrique Martinez	15,391	9,983	0	31,752	76,997	39,911
Vesting date of shares	3 February 2020	05/17/2020 for the first tranche (66.67%) 05/17/2021 for the second tranche (33.33%)	05/22/2021 for the first tranche (33.33%) 05/22/2022 for the second tranche (66.67%)	05/22/2022	05/27/2023	05/26/2024
End date of the holding period	3 February 2020	05/17/2020 for the first tranche (66.67%) 05/17/2021 for the second tranche (33.33%)	05/22/2021 for the first tranche (33.33%) 05/22/2022 for the second tranche (66.67%)	05/22/2022	05/27/2023	05/26/2024
Performance conditions	For 20% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 40% of the shares, the performance condition is based on the achievement of synergy goals For 40% of the shares, the performance condition is based on specific income goals (current operating income)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 70% of the shares, the performance condition is based on achieving specific income goals (Current operating income)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)	For 30% of shares, the performance condition is based on the market performance of the Fnac Darty share (TSR) For 50% of shares, the performance condition is based on achieving a Free Cash Flow (CFL) target For 20% of shares, the performance condition is based on achieving a CSR criterion (improvement in the Vigeo non-financial rating)
Number of shares purchased as of 12/31/2021	50,580	32,432	46,624	0	0	0
Cumulative number of shares canceled or expired	41,920	77,385	45,916	0	58,890	4,767
Performance shares remaining at the year end	0	0	121,909	31,752	557,606	239,893

(a) In view of the performance conditions, 62.2% of the shares initially awarded under the 2017 plan were fully vested.

(b) In view of the performance conditions, 47.1% of the shares initially awarded under the first tranche of the 2018 plan were fully vested and no shares were vested under the second tranche.

(c) In view of the performance conditions, 70% of the shares initially awarded under the first tranche of the 2019 plan were fully vested.

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### **In-kind benefits and other benefits**

Enrique Martinez is provided with a company car in accordance with the Company's current vehicle policy and market practices, which in 2021 represented an in-kind benefit of €4,612 (accounting valuation). This benefit amounted to €4,607 in 2020.

Enrique Martinez also benefits from an unemployment insurance plan for non-employee corporate officers, for which contributions were paid in the amount of €13,347 for 2021. These contributions are subject to social security and employer taxes and are therefore treated as benefits in kind. In 2020, the contributions paid for unemployment insurance amounted to €13,347.

### **Supplementary pension plan**

The Board of Directors authorized Enrique Martinez's participation in the supplementary defined-contribution pension plan (Article 83 of the French General Tax Code) which benefits all executives of Fnac Darty's French companies included in this policy.

Premiums amounted to €11,325 in both 2021 and in 2020.

### **Provident insurance plan**

On July 17, 2017, the Board of Directors authorized Enrique Martinez's participation in the provident insurance plan that benefits all employees of Fnac Darty's French companies included in this policy.

Contributions paid by the Company in 2021 and 2020 amounted to €9,687 and €9,688, respectively.

### **Directors' fees**

At its meeting of February 20, 2019, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, decided that Enrique Martinez would not receive any compensation in respect of his term of office as a Director, approved by the General Meeting of May 23, 2019. Enrique Martinez did not receive any compensation for his Directorship for 2021.

### **Total compensation**

The amounts paid in 2021 and 2020 in total compensation and its components, as detailed above, totaled €1,532,500 and €1,423,300 respectively, broken down as follows, respectively: fixed compensation of €750,000 and €723,873; annual variable compensation of €743,530 (for 2020) and €660,461 (for 2019, following reduction of this amount after a decision by the Board of Directors on April 18, 2020); in-kind benefits and other benefits of €17,958 and €17,953; supplementary pension plan contributions of €11,325 for each year; and, finally, Company provident insurance plan contributions of €9,687 and €9,688. In addition, the amount allocated for 2021 and to be paid in 2022 as annual variable compensation, subject to the approval of the General Meeting, was €1,056,782.

Pursuant to Article L. 22-10-34 II of the French Commercial Code, the payment of the annual variable compensation allocated in respect of 2021 is subject to the approval of the elements of the compensation and benefits of any kind paid in 2021 or awarded for 2021 to Enrique Martinez by the General Meeting of May 18, 2022.

**Summary table of compensation, options and performance shares awarded to the Chief Executive Officer**

Table 1 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

<b>Enrique MARTINEZ Chief Executive Officer</b>	<b>2020</b>	<b>2021</b>
Gross compensation allocated for the period	€1,532,496	€1,845,752
<b>SUB-TOTAL GROSS MONETARY COMPENSATION ALLOTTED FOR THE YEAR</b>	<b>€1,532,496</b>	<b>€1,845,752</b>
Valuation of multi-year variable compensation allocated during the period	n.a.	n.a.
Valuation of options awarded during the period <sup>(a)</sup>	n.a.	n.a.
Valuation of performance shares awarded during the year	€1,599,536	€1,600,032
Valuation of other long-term compensation plans	n.a.	n.a.
<b>TOTAL GROSS MONETARY COMPENSATION AND ALLOTMENT OF SECURITIES SUBJECT TO PERFORMANCE AND ATTENDANCE CONDITIONS</b>	<b>€3,132,032</b>	<b>€3,445,784</b>

(a) No options were awarded in 2020 or 2021.

**Summary table of the compensation of the Chief Executive Officer**

Table 2 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

<b>Enrique MARTINEZ Chief Executive Officer</b>	<b>2020</b>		<b>2021</b>	
	<b>Amounts allocated</b>	<b>Amounts paid</b>	<b>Amounts allocated</b>	<b>Amounts paid</b>
Fixed compensation <sup>(a)</sup>	€750,000	€723,873	€750,000	€750,000
Annual variable compensation <sup>(b)</sup>	€743,530	€660,461	€1,056,782	€743,530
Multi-year variable compensation	n.a.	n.a.	n.a.	n.a.
Exceptional compensation	n.a.	n.a.	n.a.	n.a.
Compensation awarded in respect of the office of Director	n.a.	n.a.	n.a.	n.a.
In-kind benefits <sup>(c)</sup>	€17,953	€17,953	€17,958	€17,958
Supplementary pension plans	€11,325	€11,325	€11,325	€11,325
Provident insurance plans	€9,688	€9,688	€9,687	€9,687
<b>TOTAL</b>	<b>€1,532,496</b>	<b>€1,423,300</b>	<b>€1,845,752</b>	<b>€1,532,500</b>

(a) The amount paid during 2020 was reduced in accordance with the Board of Directors' decision of April 18, 2020.

(b) The amount paid in 2020 for 2019 was reduced in accordance with the Board of Directors' decision of April 18, 2020.

(c) Enrique Martinez benefits from a company car and an unemployment insurance plan.

**Non-compete agreement**

The Board of Directors has approved a non-compete agreement with Enrique Martinez in the specialty retail market for entertainment and electronic products and domestic appliances for the consumer market in the countries where the Group operates. This non-compete agreement is limited to two years starting at the end of his term of office. In consideration for this agreement, Enrique Martinez will receive, in installments for its duration, a gross allowance representing 70% of his fixed monthly compensation, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause. The payment of compensation under the non-compete

agreement is precluded as soon as the executive exercises his or her pension rights. In any event, no such compensation may be paid when the recipient is older than 65 years of age.

This commitment was implemented by the Board of Directors on July 17, 2017 and was approved by the General Meeting of May 18, 2018. On February 20, 2019, it was revised by the Board of Directors in order to align it with the new recommendations of the AFEP-MEDEF Code of June 2018. This amendment was approved by the General Meeting of May 23, 2019.

No amount was due for either 2021 or 2020.

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### Summary of the Chief Executive Officer's benefits

Table 11 in accordance with the recommendations of the AFEP-MEDEF Code and AMF position-recommendation No. 2021-02

Enrique MARTINEZ Chief Executive Officer	Employment contract <sup>(a)</sup>		Supplementary pension plan		Compensation or benefits payable or likely to be payable as a result of termination or change of position		Compensation associated with a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Term of office start date: 07/18/2017								
Open-ended term of office of Chief Executive Officer		X	X				X	X

(a) The employment contract of Enrique Martinez was suspended after he took up his new position as Chief Executive Officer, as indicated in the preamble to section 3.3.2.2 of this document.

### 3.3.2.3 / Compensation of corporate officers

#### Compensation paid to members of the Board of Directors

##### Compensation to be paid in 2021 for 2020

The General Meeting determines the total amount of compensation to be paid to the members of the Board of Directors.

Based on recommendations from the Appointments and Compensation Committee, the Board of Directors determines how the compensation allocated to Directors is to be distributed according to the actual attendance of members at meetings of the Board and the specialized committees held during the period in question, in accordance with the compensation policy approved by the General Meeting.

The General Meeting of May 18, 2018 set this amount at €450,000 for 2018, to be maintained until decided otherwise.

In order to take into account the appointment of two Directors representing the employees during 2019 and 2020 in accordance with the applicable legal provisions, on the recommendation of the Appointments and Compensation Committee, the Board considered it appropriate to propose an increase to €500,000 in the overall annual compensation allocated to Directors. The General Meeting of May 28, 2020 set this amount at €500,000 for 2020, to be maintained until decided otherwise.

In order to take into account the appointment of a Director representing employees to the Appointments and Compensation Committee in 2021, in accordance with the recommendations of the AFEP-MEDEF Code, the Board considered it appropriate, on the recommendation of the Appointments and Compensation Committee, to propose increasing the overall annual compensation allocated to Directors to €515,000. The General Meeting of May 27, 2021 set this amount at €515,000 for 2021, to be maintained until decided otherwise.

Based on recommendations from the Appointments and Compensation Committee, on February 23, 2021 the Board of Directors decided, in accordance with the compensation policy approved by the General Meeting, on the distribution of the compensation allocated to members of the Board and specialized committees who attended meetings held in 2020.

64% of this amount of €500,000 was distributed to members of the Board of Directors, divided into a fixed portion equivalent to 30% and a variable portion equivalent to 70%; the variable portion is distributed according to the Board members' attendance at meetings.

The balance, i.e., 36% of this amount, or €180,000, was divided in the following way: €90,000 to the Audit Committee, €54,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. This amount is allocated based on members' attendance at committee meetings.

The Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting.



Of the €500,000 total annual allocation for Directors' fees for 2020, a total amount of €407,560 was paid in 2021, broken down as follows:

Name	Amounts paid in 2020 for 2019 (in euros)	Amounts paid in 2021 for 2020 (in euros)	Amounts allocated in 2021 (to be paid in 2022) (in euros)
Jacques Veyrat	0	0	0
Enrique Martinez	0	0	0
Patricia Barbizet <sup>(a)</sup>	25,766	0	0
Carole Ferrand	60,441	58,756	60,877
Antoine Gosset-Grainville	45,013	43,865	45,305
Nonce Paolini	37,299	36,419	37,639
Brigitte Taittinger-Jouyet	33,870	48,001	47,432
Stéphane Roussel <sup>(a)</sup> (permanent representative of Vivendi)	10,337	0	0
Simon Gillham <sup>(a)</sup> (permanent representative of Compagnie Financière du 42 avenue de Friedland)	8,177	0	0
Delphine Mousseau	29,870	29,250	30,305
Caroline Grégoire Sainte Marie	25,550	29,250	45,527
Daniela Weber-Rey	47,584	46,347	30,591
Sandra Lagumina	43,264	43,365	48,020
Jean-Marc Janaillac	13,373	29,250	30,305
Javier Santiso	9,373	21,528	22,305
Franck Maurin	3,124	21,528	27,417
Julien Ducreux		0	22,305
<b>TOTAL</b>	<b>393,041</b>	<b>407,560</b>	<b>448,029</b>

(a) Members who have left the Board of Directors.

In accordance with the decision of the Board of Directors of April 18, 2020, communicated in particular at the Annual General Shareholders' Meeting of May 28, 2020, the compensation paid to Directors in 2020 was reduced by 25% for the period during which the Group's employees were significantly subject to furlough measures due to the Covid-19 health crisis.

Directors do not receive any other compensation, with the exception of:

- Jacques Veyrat, Chairman of the Board of Directors, who no longer receives any compensation for his directorship since his appointment as Chairman, as indicated in section 3.3.2.1 of the Universal Registration Document;
- Enrique Martinez, Chief Executive Officer, who does not receive any compensation for his directorship, as indicated in section 3.3.2.2 of the Universal Registration Document;

- Franck Maurin, Director representing employees, who receives compensation under the terms of his employment contract.

In 2021, the amounts paid to Franck Maurin amounted to €101,259, including fixed compensation of €80,109, annual variable compensation of €13,953, supplementary pension plan contributions, Article 83 of the French General Tax Code (to which all executives of Fnac Darty's French companies included in this policy are entitled under the same conditions and regulations as those above) of €2,462, Company provident insurance plan contributions of €2,836, exceptional compensation of €1,194, and finally, €705 in profit-sharing and incentive bonuses.

To be noted, the amount allocated in 2021 and paid in 2022 as part of the annual variable compensation is not yet determined on the date of publication of this document;

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- Julien Ducreux, Director representing employees, who receives compensation under the terms of his employment contract.

In 2021, the amounts paid to Julien Ducreux amounted to €110,813, including fixed compensation of €91,194, annual variable compensation of €9,396, supplementary pension plan contributions, Article 83 of the French General Tax Code (to which all executives of Fnac Darty's French companies included in this policy are entitled under the same conditions and regulations as those above) of €2,801, Company provident insurance plan contributions of €3,098, exceptional compensation of €3,610, and finally, €714 in profit-sharing and incentive bonuses.

To be noted, the amount allocated in 2021 and paid in 2022 as part of the annual variable compensation is not yet determined on the date of publication of this document.

Lastly, on May 27, 2021, the Board of Directors, acting on the recommendation of the Appointments and Compensation Committee, decided to award Julien Ducreux 712 performance-based bonus shares under the plan described in section 7.2.4 of this Universal Registration Document, pursuant to the same conditions as for the other 175 beneficiaries of this plan.

In correspondence dated October 14, 2020, before he officially took a seat on the Fnac Darty Board of Directors, Julien Ducreux informed the Chairman of the Board that he wished for all compensation amounts due to be allotted to him as a Director for his entire term of office to instead be paid to the union that nominated him as a Director representing employees. Julien Ducreux therefore received no compensation for his directorship for 2021.

#### Compensation to be paid in 2022 for 2021

Of the total amount of €515,000 in Directors' fees allocated in 2022 for 2021, on February 23, 2021 the Board of Directors allocated 62.14%, that is €320,000, to the Board members and 37.86%, that is €195,000, to the members of the specialized committees.

Of the €320,000 allocated to the Board of Directors, 30% was fixed and 70% was variable. The variable portion was allocated based on members' attendance at Board of Directors' meetings.

The remaining €195,000 allocated to the specialized committees was distributed as follows: €90,000 to the Audit Committee, €69,000 to the Appointments and Compensation Committee and €36,000 to the Corporate, Environmental and Social Responsibility Committee. These portions are allotted strictly on the basis of members' attendance at committee meetings.

No specific compensation has been allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and, with the exception of the Executive Corporate Officer, serve as Chairman of the Board or chairs of the specialized committees.

The portion of the compensation calculated but not paid to the Chairman of the Board and the Chief Executive Officer has not been reallocated to the other Directors.

The Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting.

The Board of Directors meeting of February 23, 2022 allocated a total of €448,029 to members of the Board of Directors and its committees to be paid in 2022 for 2021.

#### 3.3.2.4 / Comparison of the level of compensation of corporate officers and that of employees of the Company, and of the Company's performance

In accordance with Article L. 22-10-9 of the French Commercial Code, and in compliance with the AFEP guidelines updated in February 2021, the table below presents the level of compensation owed or allocated in respect of one year to each of the executive corporate officers, set against the average and median compensation owed or allocated in respect of the same year to the employees of the Company other than the corporate officers on a full-time equivalent basis and changes in this ratio over the last five years.

It also presents the annual change:

- in the compensation of corporate officers;
- in the average compensation on a full-time equivalent basis of the Company's employees, other than corporate officers;
- in equity ratios;
- and in the Company's performance.

The scope presented in the second section of the table is that of the listed company, Fnac Darty SA.

The scope presented in the third section of the table is that of the registered office functions, including the listed company. The scope covers a wide variety of functions carried out within the Group, in particular with the teams responsible for trading, purchasing, marketing & digital, support functions and corporate functions.

The scope presented in the fourth section of the table is that of Fnac and Darty companies in France, including the head office companies and the listed company. In addition to those functions included in the scope outlined in the previous paragraph, it covers duties performed in stores, logistics platforms, remote customer relations services, delivery services, after-sales services, and so on. Ratios across this broader Group scope could not be calculated over the last five years, due to the merger between Fnac and Darty during this period. This scope meets the recommendations of the AFEP-MEDEF Code and accounts for more than 90% of the employees of Fnac Darty's French companies.

Table of ratios under section I, paragraphs 6 and 7 of Article L. 22-10-9 of the French Commercial Code

	2017	2018 or change 2018/ 2017	2019 or change 2019/ 2018	Change 2019/ 2017	2020 or change 2020/ 2019	Change 2020/ 2017	2021 or change 2021/ 2020	Change 2021/ 2017
Change (in %) in the compensation of Alexandre Bompard, Chairman and Chief Executive Officer until July 17, 2017								
Change (in %) in the compensation of Enrique Martinez, Chief Executive Officer since July 18, 2017		13%	32%	49%	2%	52%	10%	68%
Change (in %) in the compensation of Jacques Veyrat, Chairman of the Board of Directors since July 18, 2017		0%	0%	0%	0%	0%	0%	0%
<b>Information on the scope of the listed company: Fnac Darty SA</b>								
Change (in %) in average employee compensation		-10%	1%	-10%	-11%	-19%	21%	-3%
Ratio of the Chairman and CEO to average employee compensation	5.64							
Ratio of the Chief Executive Officer to average employee compensation	2.94	3.69	4.86		5.53		5.05	
Ratio of the Chairman to average employee compensation	0.29	0.32	0.32		0.36		0.29	
Change in the Chairman and Chief Executive Officer's ratio (in %)								
Change in the Chief Executive Officer's ratio (in %)		26%	32%	65%	14%	88%	-9%	72%
Change in the Chairman's ratio (in %)		11%	-1%	11%	12%	24%	-17%	3%
Ratio of the Chairman and Chief Executive Officer to median employee compensation	6.09							
Ratio of the Chief Executive Officer to median employee compensation	3.17	3.42	4.27		5.77		4.78	
Ratio of the Chairman to median employee compensation	0.31	0.30	0.28		0.37		0.28	
Change in the Chairman and Chief Executive Officer's ratio (in %)								
Change in the Chief Executive Officer's ratio (in %)		8%	25%	35%	35%	82%	-17%	51%
Change in the Chairman's ratio (in %)		-5%	-6%	-10%	33%	20%	-25%	-10%
<b>Additional information on registered office functions</b>								
Change (in %) in average employee compensation		4%	0%	4%	-1%	3%	5%	7%
Ratio of the Chairman and CEO to average employee compensation	63.48							
Ratio of the Chief Executive Officer to average employee compensation	33.06	35.72	47.38		49.00		51.58	

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	2017	2018 or change 2018/ 2017	2019 or change 2019/ 2018	Change 2019/ 2017	2020 or change 2020/ 2019	Change 2020/ 2017	2021 or change 2021/ 2020	Change 2021/ 2017
Ratio of the Chairman to average employee compensation	3.23	3.10	3.10		3.15		3.01	
Change in the Chairman and Chief Executive Officer's ratio ( <i>in %</i> )								
Change in the Chief Executive Officer's ratio ( <i>in %</i> )		8%	33%	43%	3%	48%	5%	56%
Change in the Chairman's ratio ( <i>in %</i> )		-4%	0%	-4%	1%	-3%	-4%	-7%
Ratio of the Chairman and Chief Executive Officer to median employee compensation	79.21							
Ratio of the Chief Executive Officer to median employee compensation	41.25	43.47	57.88		59.10		61.88	
Ratio of the Chairman to median employee compensation	4.04	3.77	3.79		3.80		3.61	
Change in the Chairman and Chief Executive Officer's ratio ( <i>in %</i> )								
Change in the Chief Executive Officer's ratio ( <i>in %</i> )		5%	33%	40%	2%	43%	5%	50%
Change in the Chairman's ratio ( <i>in %</i> )		-7%	1%	-6%	0%	-6%	-5%	-10%
<b>Additional information on Fnac and Darty in France, including registered office functions</b>								
Change ( <i>in %</i> ) in average employee compensation					1%		5%	
Ratio of the Chairman and CEO to average employee compensation								
Ratio of the Chief Executive Officer to average employee compensation			83.04		83.87		87.89	
Ratio of the Chairman to average employee compensation			5.44		5.39		5.13	
Change in the Chairman and Chief Executive Officer's ratio ( <i>in %</i> )								
Change in the Chief Executive Officer's ratio ( <i>in %</i> )					1%		5%	
Change in the Chairman's ratio ( <i>in %</i> )					-1%		-5%	
Ratio of the Chairman and Chief Executive Officer to median employee compensation								
Ratio of the Chief Executive Officer to median employee compensation			101.45		102.35		107.42	
Ratio of the Chairman to median employee compensation			6.65		6.58		6.27	
Change in the Chairman and Chief Executive Officer's ratio ( <i>in %</i> )								
Change in the Chief Executive Officer's ratio ( <i>in %</i> )					1%		5%	
Change in the Chairman's ratio ( <i>in %</i> )					-1%		-5%	

	2017	2018 or change 2018/ 2017	2019 or change 2019/ 2018	Change 2019/ 2017	2020 or change 2020/ 2019	Change 2020/ 2017	2021 or change 2021/ 2020	Change 2021/ 2017
<b>Company performance</b>								
Free cash-flow from operations, excluding IFRS 16	199.2	152.7	172.9		192.4		170.1	
Current operating income/revenue	3.6%	4.0%	4.0%		2.9%		3.4%	
TSR vs SBF 120 ranking (base 2016)	40	41	72		95		82	
Total Net Income	37.5	149.9	103.9		-6		159.8	
Vigeo non-financial rating		35	44		48		54	
Change (in %) in free cash-flow from operations		-23%	13%	-13%	11%	-3%	-12%	-15%
Change (in %) in current operating income/revenue		11%	0%	11%	-28%	-19%	16%	-7%
Change in TSR vs SBF 120 ranking (base 2016)		-1	-31	-32	-23	-55	13	-42
Change (in %) in total net income		300%	-31%	177%	-106%	-116%	-2,763%	326%
Change in Vigeo non-financial rating			9		4		6	

The duties of Chairman and Chief Executive Officer were separated in July 2017 following Alexandre Bompard's departure from the Company. Compensation in 2017 was calculated on a full-time equivalent basis.

For each year, the employees taken into account were those who were present throughout the year.

In accordance with the AFEP's guidelines on multiple compensation, the items owed or allocated for an accounting period take into account, for both the corporate officers and the employees:

- the fixed portion;
- the annual variable portion owed in respect of the year and therefore paid the following year. Since it is not definitive at the date of publication of this document, the variable compensation payable in 2022 for 2021 has been estimated for employees, while for the Chief Executive Officer it is the amount established by the Board of Directors at its meeting on February 23, 2022, payment of which is subject to approval by the General Meeting of May 18, 2022;
- the compensation related to the office of Director, where it has been paid to the executive, in respect of the year and the office;

- the long-term compensation (stock options, performance shares, other long-term compensation instruments and multi-year variable compensation), allocated in respect of the year, valued at IFRS value. These accounting valuations performed on the allotment date are not the amounts that might be received by the beneficiaries upon vesting of the shares, subject to performance and continued employment conditions;

- benefits in kind.

To facilitate year-on-year comparisons, it is made clear that compensation paid in 2020 both to corporate officers and employees has been adjusted for the effects of the health crisis. As such, the compensation taken into account for corporate officers is the compensation before salary reduction in light of the health crisis as set out in the introduction to Chapter 3.3.2. The compensation taken into account for employees is adjusted for the impact of any periods of furlough measures.

Through the performance criteria presented above, Fnac Darty demonstrates its ability to deliver solid results over time thanks to the strength of its model and the successful execution of the strategic plans Confiance+ and now Everyday.

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#### Compensation and benefits for administrative and executive bodies

The cash generation essential to ensure the development and sustainability of the Group is regular and significant, with an average volume of €177.5 million over the period as a whole, in line with the cash generation ambitions of the plan Everyday. The growth in free cash-flow from operations is steady and, with the exception of 2018, lies in a range between €170 million and €199 million. The level of profitability was in line with the Group's ambitions, despite challenging market conditions, until 2019, which was heavily impacted by social unrest. After several years of growth, the ratio of current operating income to revenue reached 4% at the time, stable compared to 2018. In 2020, Fnac Darty was able to demonstrate the strength of its omnichannel model, as well as its marked ability to control its operating costs, greatly restricting the impact of the health crisis on its profitability. In this unprecedented climate, the ratio of current operating income to revenue, contained at 2.9%, was logically down on the previous year, but remained higher than the 2015 rate of 2.2% and very close to the 3% observed in 2016. 2021 was characterized by a return to growth in current operating profitability, up to 3.4%, combined with significant revenue growth, which exceeded €8 billion. The trend in this rate over the period as a whole demonstrates the Group's ability to seize opportunities for profitable growth, and, following the successful integration of Darty, to develop its business model, gearing its focus more toward services and sustainable and responsible offerings, and combining a human touch with digital technology even more than before in order to deliver a best-in-class customer experience. Fnac Darty has also demonstrated its high level of resilience over recent financial years.

The Company's TSR is measured by comparing Fnac Darty's stock market performance each year with the market performance of the SBF 120 companies from 2016, the reference year preceding the five-year period presented. With an increase in the average annual closing price of 36.1% between 2016 and 2018, Fnac Darty remained in the upper third of the SBF 120 securities over this period. After two unusual years marked first by social unrest in 2019, strongly affecting consumption, and then the health crisis in 2020, the Fnac Darty share price held up well and returned to an average of €54.74 over 2021, close to that of early 2016 (€54.94).

The net income of the Consolidated Group has fluctuated significantly from one year to the next, due in particular to the impact of changes in scope (acquisition of Darty in 2016 and Nature & Découvertes in 2019, disposal of the Brazilian subsidiary in 2017, sale of BCC in 2020), as well as the corresponding integration and restructuring costs. The net income was also impacted over the period by the costs associated with the restructuring of the Group's debt. In addition to their impact on net income, these various events are also a marker of the Group's agility.

Beyond its long-term financial performance, Fnac Darty's non-financial performance is continuously recognized by the major rating agencies. In addition to the increase in the score assigned

to the Group by Vigéo Eiris, from 35 in 2018 to 54 in 2021, which places it firmly within the top 10 companies in the specialized retail market in Europe as defined by Vigéo Eiris, the CDP and MSCI have also awarded the Group top ratings.

The compensation policy structured with a short-term compensation portion and a long-term compensation portion supports this performance. The economic and financial indicators, and the criteria related to corporate, social and environmental responsibility that are used to measure short-term performance during these years (revenue, change in market share, free cash-flow generation, current operating income, non-financial ratings, and employee recommendation rates) have allowed the Group to steadily achieve these ambitious objectives, encouraged the preservation of operating income during the health crisis, and more recently, enabled the Group to quickly deploy the strategic plan Everyday, where it has already been able to measure initial successes in terms of the three goals it has set itself for 2025 (embody new standards for successful digital and human omnichannel retail in the future; help consumers adopt sustainable practices; roll out the reference subscription-based home assistance service). Long-term compensation, initially subject to the achievement of market performance conditions following Fnac's flotation in 2013, and subsequently also conditional upon the achievement of non-market performance conditions, in line with the Company's long-term profitability and cash-flow objectives, promotes the search for sustainable performance. The introduction of a criterion linked to the Group's social and environmental responsibility in 2019 reflects the desire to put Fnac Darty's mission at the heart of its strategy and the actions of its employees.

In this context, changes in the compensation of executives and in particular the executive corporate officers are marked by the change in governance in 2017. Following Alexandre Bompard's departure from the Company, the Board of Directors wished to separate the duties of Chairman and Chief Executive Officer by appointing, respectively, Jacques Veyrat and Enrique Martinez. In effect, the Appointments and Compensation Committee believed that such a separation of duties would enable senior management, in the period following the Darty Group acquisition, to focus on the Group's operational priorities and, in particular, to pursue the integration of Fnac and Darty. In order to safeguard the interests of the Company and its shareholders and to stimulate performance, the Board had wished to award compensation below the market rate to Enrique Martinez when he took office. Following a few months of Enrique Martinez's successful assumption of his office, which resulted in the strong performance achieved, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, decided to reassess both his fixed compensation and maximum potential variable compensation. In doing so, the Board kept his compensation at a level lower than that of senior executives of comparable companies, in order to give itself the time and hindsight necessary to fully evaluate Enrique Martinez's performance as Chief Executive Officer.

In 2019, the Board recognized and reaffirmed Enrique Martinez's success in his position as Chief Executive Officer, which has been demonstrated by: the consolidation and successful integration of Darty and the achievement of the expected level of synergies one year ahead of schedule; the excellent operational execution of the strategic plan in its first year; and the achievement of a level of current operating income that is growing in terms of value and rate compared with the previous year, all in a highly competitive market and a challenging economic environment. After contracting the execution of a compensation study to a specialist consultancy firm, which created a panel of SBF 120 and specialized retail companies whose size, complexity and governance characteristics are comparable to those of Fnac Darty, and noting a significant discrepancy both in the Chief Executive Officer's fixed compensation and in the maximum potential variable compensation that could be awarded to reward the

outperformance of his objectives, the Board of Directors decided to set the compensation of Enrique Martinez at its current level. This new compensation is set for his term of office as Director.

Although the Group doubled in size over the period and delivered solid results, the compensation of the Executive Corporate Officer in 2020 was in line with that of 2016 and 2017.

Furthermore, excluding the noria effect, the average growth in the compensation of employees working at a registered office present over the entire period between 2017 and 2021 was 15.1%. Still excluding the noria effect, the average growth in the compensation of Fnac Darty company employees present over the entire period between 2019 and 2021 (including those working at a registered office), representative of more than 90% of the employees in France, was 7.5%.

## 3.4 / Profit-sharing, collective incentive plans and long-term incentive plans

3

### 3.4.1 / PROFIT-SHARING AGREEMENTS AND INCENTIVE PLANS

#### 3.4.1.1 / Profit-sharing agreements in France

For companies with at least 50 employees and taxable income of more than 5% of its shareholders' equity, implementation of a profit-sharing agreement in accordance with Articles L. 3322-2 and L. 3324-1 of the French Labor Code is mandatory.

Fnac Darty companies have profit-sharing agreements in place.

#### 3.4.1.2 / Collective incentive plans in France

Collective incentives are optional plans whose purpose is to enable the Company to involve employees more closely (by means of a calculation formula) in the running of the Company and, more particularly, in its results and performance by paying bonuses that are available immediately, in accordance with Article L. 3312-1 of the French Labor Code. Incentive plan agreements have been concluded for a number of the Group's French entities. Each agreement includes its own formula for calculating the incentive bonus.

#### 3.4.1.3 / Group savings plans

Companies that have implemented a profit-sharing agreement must implement a Company savings plan in accordance with Article L. 3332-3 of the French Labor Code.

An amendment to the regulations governing the Fnac Darty Group savings plans concluded on March 15, 2018 instituted a Group employee savings plan for all Fnac Darty entities in France, with the exception of Nature & Découvertes which has its own company savings plan. All Group employees in France, with the exception of those employed by Nature & Découvertes, may now immediately allocate all the sums paid to them under the profit-sharing and incentive plan to the same corporate mutual funds (fonds communs de placement d'entreprise or "FCPE") and benefit from the services of the same administrative manager. One of the options offered to employees through this Group savings plan is to invest in units of the dedicated "Fnac Darty Employees" FCPE, which is invested in listed securities of the Company.

## 3 CORPORATE GOVERNANCE

Profit-sharing, collective incentive plans and long-term incentive plans

### 3.4.2 / LONG-TERM INCENTIVES

The main executives of the Group benefit from annual long-term variable compensation, the first plans of which were implemented in 2013. The different vesting periods of the plans run until May 26, 2024.

During 2021, on the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees (176 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This first plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

During 2021, on the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees other than the Executive Corporate Officer (51 beneficiaries) in order to make them partners in the Company's performance through an increase in the value of its stock. Settlement will be in equity instruments. This second plan awarded in 2021 applies primarily to non-French residents.

The duration of this plan is three years (May 27, 2021 – May 26, 2024). These shares will be vested upon expiration of a vesting period (May 27, 2021 to May 26, 2024), subject to the beneficiary's continued employment within the Group at the end of the vesting

period. The vesting of these shares will be subject to a Fnac Darty share performance condition based on the Company's total shareholder return (TSR) compared to that of the companies in the SBF 120, as measured in 2024 for the 2021-2023 period in respect of the entire period, and to performance conditions associated with achieving a target level of free cash flow assessed in 2024 upon publication of the Group's annual results for 2023, taking into account the cash flow generated by the Group during the years 2021, 2022 and 2023 for the entire period as well as to performance conditions associated with the Company's corporate, social and environmental responsibility assessed in 2024 by taking into account the Group's non-financial ratings for 2021, 2022 and 2023 for the entire period.

Each performance condition is measured at the end of each period, taking into account the performance over the period. For each period, each performance criterion has a trigger threshold below which no shares linked to this criterion may be vested. Shares lost in one period are not available the following period.

These two 2021 bonus share plans (detailed in section 7.2.4 of this Universal Registration Document), as with the 2019 and 2020 bonus share plans, provide for the early vesting of shares in the following cases: a change of control of the Company; a public tender offer for the Company's shares; a public exchange offer for the Company's shares; a merger or demerger; or a public withdrawal offer.

During 2021, on the recommendation of the Appointments and Compensation Committee, on May 27, 2021 the Board of Directors decided to award bonus shares to certain Group employees other than the Executive Corporate Officer (49 beneficiaries). Settlement will be in equity instruments. This third, specific plan awarded in 2021 applies to French residents only.

The duration of this plan is three years (May 27, 2021 – May 26, 2024).

This plan is not subject to performance conditions and aims to recognize the commitment of managers who have not yet been awarded Fnac Darty bonus shares in the past (or on an exceptional basis). The vesting of the shares is subject to the beneficiary's continued employment within the Group on the maturity date of this plan.



### 3.5 / Factors that could have an impact during a public offering period

Pursuant to Article L. 22-10-11 of the French Commercial Code, we are presenting the following factors that could have an impact on a public offering:

- the ownership structure as well as the direct and indirect holdings known to the Company and all relevant information are described in sections 7.1.2.6 and 7.3.1;
- there are no restrictions in the bylaws on the exercise of voting rights, with the exception of the deprivation of voting rights that may be requested by one or more shareholders holding at least 3% of the Company's share capital or voting rights, if the 3% threshold or any multiple of 1% above 3% is not declared (Article 9 of the bylaws) – see section 7.1.2.6;
- there is no restriction in the bylaws on the transfer of shares;
- to the Company's knowledge, there are no shareholders' agreements or other commitments signed by shareholders;
- there is no security carrying special control rights;
- the voting rights attached to the Fnac Darty shares held by employees through the FCPE Actions fund are exercised by a representative appointed by the FCPE Supervisory Board to represent it at the General Meeting;
- the rules for appointing and dismissing members of the Board of Directors are the legal rules and bylaws provided for in Articles 12, 17 and 18 of the bylaws described in section 7.1.2.3;
- with respect to the powers of the Board of Directors, the current delegations are described in this report in section 7.2.3.1 (share buyback program) and in the table of capital increase delegations set forth in section 7.2.1; the authorization for share buybacks and delegations to conduct capital increases are suspended during a public tender offer, with the exception of a delegation to employees participating in a Company savings plan (PEE);
- the bylaws of our Company are amended in accordance with the laws and regulations;
- the agreements signed by the Company, which are amended or ended if control of the Company changes, are as follows: the Loan Agreement and the High Yield bond described in section 4.2.2.2 include a clause under which the creditors of Fnac Darty could request full or partial early repayment of the loans in the event of a change of control;
- there are no specific agreements providing for compensation in the event of termination of the duties of members of the Board of Directors or employees, if they resign or are dismissed without real and serious cause or if their employment is terminated as a result of a public tender or exchange offer.

### 3.6 / Other information

The procedures for shareholders to participate in General Meetings are provided in section 7.1.2.4.

The table of financial delegations for capital increases is given in section 7.2.1.

# 3 CORPORATE GOVERNANCE

Special Auditors' Report on Related-Party Agreements

## 3.7 / Special Auditors' Report on Related-Party Agreements

### General Meeting called to approve the financial statements for the year ended December 31, 2021

To the General Meeting of Fnac Darty SA,

As the Statutory Auditors of your Company, we are presenting our report on regulated agreements.

On the basis of the information provided to us, it is our responsibility to inform you of the characteristics, principal terms and conditions and reasons justifying the interest for the Company of the agreements of which we have been informed or which we may have discovered during our assignment. We are not required to express an opinion as to their utility or suitability,

nor to investigate whether other agreements exist. Under Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the appropriateness of entering into these agreements for the purpose of approving them.

In addition, it is our responsibility, as applicable, to communicate to you the information stipulated in Article R. 225-31 of the French Commercial Code regarding the previous year's performance of the agreements already approved by the General Meeting.

We have applied the procedures we considered necessary pursuant to the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this assignment.

## AGREEMENTS SUBJECT TO APPROVAL BY THE GENERAL MEETING

### Agreements authorized and concluded during the last year

We hereby notify you that we have not been given notice of any agreement authorized and concluded during the last year to be submitted for approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

## AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

### Agreements approved in previous periods which continued to be executed during the last year

We hereby inform you that we have not been advised of any agreement already approved by the General Meeting which continued to be executed during the last year.

Paris La Défense, March 16, 2022

Statutory Auditors

**KPMG Audit**

*A department of KPMG SA*

Éric Ropert  
*Partner*

**Deloitte & Associés**

Guillaume Crunelle  
*Partner*