Compensation granted to the Executive Corporate Officer

The Board of Directors of Fnac Darty, in its meeting on May 18, 2018, on the recommendation of the Appointments and Compensation Committee, decided to implement a long-term incentive plan for Mr. Enrique Martinez, Chief Executive Officer.

Long-term compensation

The plan consists of:

The allocation of 41,766 stock purchase options granted under a three-year plan (May 18, 2018 to May 17, 2021), consisting of a first tranche of 20,883 options maturing on May 17, 2020, and a second tranche of 20,883 options maturing on May 17, 2021. The exercise price of these options has been set at €89.43, which is the average closing price of Fnac Darty shares over the 20 trading days immediately preceding May 18, 2018.

The final vesting of these stock options is subject to:

- The realization of a stock market performance condition measured by the company's Total Shareholder Return (TSR) compared to the SBF120, each year during the vesting period, in 2019 for the year 2018, in 2020 for the period 2018-2019, and in 2021 for the period 2018-2020.
- The realization of a performance condition linked to the achievement of a level of Current Operating Income, assessed each year during the vesting period, in 2019 after the closing of the Group's 2018 annual accounts, in 2020 after the closing of the Group's 2019 annual accounts, and in 2021 after the closing of the Group's 2020 annual accounts;
- The condition of being present on May 17, 2020 for the first tranche, and on May 17, 2021 for the second tranche.

These performance criteria do not permit final vesting of the shares in the event that a trigger threshold is not achieved.

Stock options also, intrinsically, require absolute share price growth in order to be exercisable.

A total of 9,983 performance shares granted under a three-year plan (May 18, 2018 to May 17, 2021), consisting of a first tranche of 6,655 performance shares maturing May 17, 2020, and a second tranche of 3,328 performance shares maturing May 17, 2021.

The final vesting of these performance shares is subject to the same performance and presence conditions as the stock options granted during the meeting of the Board of Directors.

Requirement to retain and hold the shares

On the recommendation of the Compensation Committee, the Board of Directors, at its meeting on April 28, 2017, has defined the retention requirements under Articles L. 225-185 and L. 225-197-1 of the French Code of Commerce applicable to shares arising from free share allocations and the exercise of options, in accordance with the following terms and conditions:

Executive corporate officers are required to hold a minimum number of shares in their own names, until termination of their duties, corresponding to 25% of the finally vested shares (net of expenses and taxes and of any divestments required for the exercise of options) for each of the free share allocation plans and stock options plans granted to them by the Board from the date of their appointment, whereby it is specified that any plans from which they may previously have benefited as employees are not included.

However, this percentage is reduced to 5% if the number of shares held by the executive corporate officers under the free share allocation and the exercise of options, under all plans, represents an amount that is equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in their own names until termination of their duties under Section 22 of the French AFEP/MEDEF Code.