

Compensation policy for corporate officers

In accordance with article R. 225-29-1 IV of the French Commercial Code, the compensation policy for corporate officers submitted to the general meeting of shareholders on May 28, 2020 is presented below:

The total compensation of the Chairman and Chief Executive Officer, paid in 2020, will be reduced by 25%, for the entire period during which the Group's employees are on temporary layoffs due to the COVID-19 crisis. The same measure will apply to the compensation allocated to the members of the Board of Directors paid in 2021 for 2020, and concomitantly the fixed compensation for 2020 for the members of the Executive Committee will be reduced by 15%, for the same period.

Enrique Martinez, Chief Executive Officer, has also chosen to reinvest 50% of his variable compensation for 2019 to be paid in 2020, net of social contributions and taxes, in Group shares, once it has been submitted and approved by the shareholders at the Annual General Meeting.

Compensation policy

On the recommendation of the Appointments and Compensation Committee, and taking into account the recommendations of the AFEP-MEDEF Code, 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 the Universal registration 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, short-term 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. 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 corporate officers and Group executives with the Company's priority objectives, regarding both the structure of their compensation and the short and long-term variable compensation performance criteria.

Tenth resolution : compensation policy of members of the Board of Directors

Voting result: 99.72%

Compensation policy

Compensation allocated to members of the Board of Directors

The General Meeting determines the total amount of compensation allocated 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:

- subject to the approval by the General Meeting of May 28, 2020 of the increase of the fixed annual amount to be allocated to the Board of Directors from €450,000 to €500,000 in order to take account of the appointment of two Directors representing the employees during the 2019 and 2020 periods in accordance with the applicable legal provisions, 64% of the total annual amount of this compensation is allocated to the members of the Board of Directors, i.e. a sum of €320,000, or, in the event of rejection of the proposed increase of the annual

fixed amount to be allocated to the Board, 60% of the total annual amount of this compensation is assigned to the members of the Board of Directors, i.e. €270,000;

- 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 an unchanged amount, i.e. €180,000, is allocated to the members of the specialized committees and distributed as follows: €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. These portions, for which the amounts are unchanged, 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; and
- 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 6 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 under the conditions prescribed by the regulations, in particular the Directors representing the employees.

Eleventh resolution : compensation policy of the Chairman of the Board of Directors

Voting result: 99.84%

Compensation policy

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:

- revenues, 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 26, 2020, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to maintain the fixed compensation of its Chairman for 2020 at €200,000.

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

Pursuant to the AMF recommendations, 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 (previously called "attendance 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:

- subject to the approval by the General Meeting of May 28, 2020 of the increase of the fixed annual amount to be allocated to the Board of Directors from €450,000 to €500,000 in order to take account of the appointment of two Directors representing the employees during the 2019 and 2020 periods in accordance with the applicable legal provisions, 64% of the total annual amount of this compensation is allocated to the members of the Board of Directors, i.e. a sum of €320,000, or, in the event of rejection of the proposed increase of the annual fixed amount to be allocated to the Board, 60% of the total annual amount of this compensation is assigned to the members of the Board of Directors, i.e. €270,000;
- 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 an unchanged amount, i.e. €180,000, is allocated to the members of the specialized committees and distributed as follows: €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. These portions, for which the amounts are unchanged, 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; and
- 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.

Twelfth resolution : compensation policy of the Chief Executive Officer and/or any other executive corporate officer

Voting result : 91.55%

Compensation policy

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:

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:

- revenues, 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 AFEP-MEDEF Code.

For information purposes, it is specified that the gross annual fixed compensation of Enrique Martinez is €750,000 and 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 quantitative targets 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. This variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded.

Business and financial criteria are the predominant considerations when structuring annual variable compensation. It is broken down as follows: 70% on business and financial targets, 10% on objectives relating to corporate, social and environmental responsibility and 20% on qualitative goals.

The criteria are determined in accordance with the Company's strategic priorities and are regularly reviewed. However, long-term stability is favored. The current economic and financial criteria have therefore not changed since 2013.

Currently, 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 35% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance;
- Group free cash flow (FCF) corresponding to 15% of the total bonus for a level of achievement of 100% of the target, with a maximum of 150% in the event of outperformance;
- Group revenues accounts for 15% of the total target for an achievement level of 100%, with a maximum of 150% in the case of overperformance; and
- evolution of Group market shares 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.

Currently, 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 accounts for 5% of the total objective for an achievement level of 100%, with a maximum of 150% in the case of overperformance.

The expected achievement level of each of the business and financial targets, as well as for the objectives relating to 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 and financial 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 at 150% for the objective concerned.

For each economic or financial target, 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 (0% and 100%). The same applies when the result reported falls between the target or goal set and the cap (100% and 150%).

In terms of qualitative goals, the Board of Directors has decided to maintain the objectives related to quality of management, social climate, quality of financial communication, quality of shareholder reporting, and relations with Directors. Two objectives linked to the execution of key strategic transformation levers are also added. The nature of these qualitative goals is pre-determined by the Board of Directors using a specific methodology, which is not divulged due to confidentiality reasons.

These variable compensation criteria contribute to the objectives of the company's commercial policy.

The weighting of revenues and market share growth reflects the Company's commercial goals as set out in its Confiance+ strategic plan, which targets the creation of Europe's leading omnichannel services platform. The size of Fnac Darty makes it a key operator both in its markets and with regard to its suppliers, which means its customers can benefit from an unrivaled range of products both online and in-store. The Group intends to strengthen its presence in its markets, whether by developing its omnichannel operations, offering a wider and more comprehensive range of products and services, opening new points of sale or developing leading brands.

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 integration from 2019 of social and environmental responsibility criteria provides for alignment with the mission of the Group, which is committed to helping customers make an educated choice, providing points of differentiation and being a vector for creating value. Consideration of the Group's nonfinancial 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.

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 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.

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 longterm compensation).

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

Vesting in these plans is subject to a condition of employment at expiration, except in exceptional circumstances laid out by the plan rules, for example in the event of death, disability or a change in control of the Company, and several performance conditions set by the Board of Directors, including at least one tied to the Company's share price.

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.

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, 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:

- subject to the approval by the General Meeting of May 28, 2020 of the increase of the fixed annual amount to be allocated to the Board of Directors from €450,000 to €500,000 in order to take account of the appointment of two Directors representing the employees during the 2019 and 2020 periods in accordance with the applicable legal provisions, 64% of the total annual amount of this compensation is allocated to the members of the Board of Directors,

i.e. a sum of €320,000, or, in the event of rejection of the proposed increase of the annual fixed amount to be allocated to the Board, 60% of the total annual amount of this compensation is assigned to the members of the Board of Directors, i.e. €270,000;

- 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 an unchanged amount, i.e. €180,000, is allocated to the members of the specialized committees and distributed as follows: €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. These portions, for which the amounts are unchanged, 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; and
- 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. 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. 225-100 III 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 + 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 instalments 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 + 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. During its annual review of regulated agreements at its meeting of January 28, 2020, the Board reviewed and approved the continuation of this commitment.

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 also includes all executives of Fnac Darty companies in France, all on the same terms.

This commitment was approved by the Shareholders' Meeting held on May 18, 2018 as part of resolution five. During its annual review of regulated agreements at its meeting of January 28, 2020, the Board reviewed and approved the continuation of this commitment.

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. During its annual review of regulated agreements at its meeting of January 28, 2020, the Board approved the continuation of this commitment.

Finally, it is specified that, in the event of the appointment of Chief Operating Officers, they would be able to benefit from an employment contract under the conditions provided for by the regulations.