FNAC DARTY

NOTIFICATION & INFORMATION BROCHURE

2020

FNAC DARTY COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING

Thursday May 28, 2020 at 4:30 p.m.

All our publications can be found

on the website www.fnacdarty.com

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HOW TO PARTICIPATE IN THE GENERAL MEETING

In the current context of the COVID-19 epidemic and in accordance with the provisions made following the issue of French Decree No. 2020-321 of March 25, 2020, this General Meeting will be held without the shareholders and other persons entitled to attend.

You are therefore invited to cast your vote either by mail using the voting form provided for this purpose, which you must request from CACEIS Corporate Trust as indicated below, or electronically via the Votaccess platform or via the following e-mail address: ct-assemblees@caceis.com.

You may also give a proxy to the Chairman or a third party in accordance with the aforementioned procedures.

Given that the General Meeting will be held behind closed doors, any shareholder who applies for an admission card will not be able to vote. It is therefore not necessary, under these exceptional circumstances, to request an admission card.

Remote and electronic participation are now the only means of participation available to shareholders.

Please regularly consult the section dedicated to the General Meeting on the website http://www.fnacdarty.com, which contains the documents referred to in Article R. 225-73-1 of the French Commercial Code, and which will be updated to specify the definitive procedures for participating in the General Meeting of shareholders of May 28, 2020.

If you would like further information, you can contact us at the following e-mail address: actionnaires@fnacdarty.com.

GENERAL MEETING HELD BEHIND CLOSED DOORS

The exceptional context of the COVID-19 pandemic, the recently adopted legislative measures, and the provisions made by the French government to curb the spread of the virus have led the Fnac Darty General Meeting to review the system normally used for this event in order to ensure that it is conducted safely. The Combined General Meeting initially scheduled to take place at Espace du Centenaire, 189 rue de Bercy, Paris 75012, France, will therefore be held exceptionally behind closed doors at the Company's registered office at 9 rue des Bateaux-Lavoirs, Ivry-Sur-Seine 94200, France. Shareholders are invited to regularly consult the section dedicated to the 2020 General Meeting on the Company's website www.fnacdarty.com, which is regularly updated with all the information necessary to enable shareholders to follow this event and exercise their rights. As it is not possible to vote in person, you are strongly advised to vote online via the VOTACCESS secure voting platform or by mail using the paper voting form. You may also vote by proxy. The General Meeting will be broadcasted on the company's website (http://www.fnacdarty.com). The Company will publish the minutes of the General Meeting.

As the General Meeting will be held behind closed doors, no questions may be asked during the meeting and no new resolutions may be added to the agenda.

WHAT CONDITIONS MUST BE FULFILLED IN ORDER TO PARTICIPATE IN THE GENERAL MEETING?

All shareholders, whatever the number of shares they hold, have the right to participate in the General Meeting. To do so, they must demonstrate ownership of their shares, which must be registered in the securities account in their name, whether they are in registered or bearer form, as of the second business day before the General Meeting, namely by midnight Paris time on Tuesday, May 26, 2020 (hereinafter "D-2").

As a result:

- **for registered shareholders,** the registration of their shares in the Company Register (managed by CACEIS Corporate Trust, holder of the register of shareholders and central organizer of the General Meeting, appointed by the Company) by D-2 is sufficient; **no other steps** are necessary; and
- **for bearer shareholders,** the institutions holding bearer shares ("Financial Intermediaries") shall provide evidence of their customers' shareholder status directly to CACEIS Corporate Trust (appointed by the Company) by producing a **shareholding certificate** which they attach to the single voting form.

SHOULD YOU WISH TO EXERCISE YOUR RIGHT TO VOTE

You have four options:

1. **vote by post;**
2. **give a proxy to the Chairman** of the General Meeting;
3. **give a proxy to a third party to vote by post** (any person of your choice); or
4. **exercise your rights online:** whether you are a registered or bearer shareholder, Fnac Darty gives you the option to exercise your rights at the General Meeting in just a few clicks, wherever you are. From May 6, 2020, you will be able to use Votaccess, a secure third-party website, to:
   - vote,
   - give a proxy to the Chairman, or
   - give a mandate to a third party to vote by post.

Voting forms will be given to shareholders who request them by letter addressed to **CACEIS Corporate Trust - Service Assemblées - 14 rue Rouget de Lisle - 92862 ISSY LES MOULINEAUX Cedex 09** no later than six days prior to the date of the General Meeting or by mail to the following address: ct-assemblees@caceis.com.

In all cases, you must fill out, date and sign the single voting form and send it to CACEIS Corporate Trust or, for shareholders with bearer shares, to your Financial Intermediary. Postal voting forms must be received no later than May 25, 2020.

- Shareholders must obtain the single voting form from their Financial intermediary or by letter addressed to **CACEIS Corporate Trust - Service Assemblées - 14 rue Rouget de Lisle - 92862 ISSY LES MOULINEAUX Cedex 09** no later than six days before the date of the Meeting or by e-mail to the following address: ct-assemblees@caceis.com and return it to this intermediary by mail (at the current postal rate). The Intermediary will forward the single voting form, accompanied by the shareholding certificate which they will have previously prepared, to CACEIS Corporate Trust.
- Shareholders may also download the single voting form by post or by proxy, which can be found at the Company's website (http://www.fnacdarty.com).

As an exception to section III of Article R. 225-85 of the French Commercial Code and without the need for a clause in the bylaws to this effect, any shareholder who has already cast an absentee vote, sent a proxy, or requested an admission card or shareholding certificate under the conditions set out in the last sentence of section II of the same article may choose another means of participation, provided that their instruction in this regard reaches the Company within the required timeframe. As an exception to the second sentence of Article R. 225-80 of this code, any previous instructions received will then be considered revoked.

However, if the transfer of ownership takes place before the second business day prior to the meeting (before midnight Paris time on Tuesday, May 26, 2020), the Company will consequently invalidate or modify, as applicable, the vote sent by post, the proxy or the shareholding certificate. To this end, the Financial Intermediary shall give notice of the share transfer to the Company or to CACEIS and shall send CACEIS the necessary information.

No transfer of ownership, by whatever means, made after midnight Paris time on the second business day preceding the meeting shall be reported by the Financial Intermediary or be taken into consideration by the Company, notwithstanding any agreement to the contrary.

FOR A GENERAL MEETING HELD BEHIND CLOSED DOORS, THREE MEANS OF PARTICIPATION ARE POSSIBLE

As you are not able to attend the General Meeting in person, you may choose one of the following solutions:

1. **vote by post:** check the box "vote by post" in the single voting form and, where applicable, shade the boxes corresponding to the resolutions that you do not wish to approve;
2. **give a proxy to the Chairman of the General Meeting:** check the box "I hereby give a proxy to the Chairman of the General Meeting" in the single voting form. In this case, the Chairman will vote in favor of the draft resolutions and amendments presented or approved by the Board of Directors, or against them if the Board of Directors does not approve the draft resolutions and/or amendments;
3. **give a proxy to a third party to vote by post (any person of your choice):** check the box "I hereby appoint" in the single voting form and indicate the name and address of the person you authorize to vote on your behalf (authorizations may be revoked in the same formal way as those used to grant them). In order to be taken into account, authorizations must be received no later than four days before the meeting, i.e. on Sunday May 24, 2020. Shareholders must submit their voting instructions no later than four days before the meeting, i.e. on Sunday May 24, 2020, by sending the single voting form to ct-mandataires-assemblees@caceis.com.

In accordance with the provisions of Article R. 225-79 of the French Commercial Code, notice of the appointment and revocation of a proxy may likewise be given electronically as follows:

- **for registered shareholders:** by sending an e-mail with an electronic signature, subject to a reliable identification process guaranteeing its link to the absentee voting form, to the following address: ct-mandataires-assemblees@caceis.com, specifying their last name and first name(s), their address and their CACEIS Corporate Trust ID for direct registered shareholders (information available on the upper left side of their securities account statements) or, for managed registered shareholders, their ID with their Financial Intermediary, along with the last name and first name of the proxy appointed or revoked; and
- **for bearer shareholders:** by sending an e-mail with an electronic signature, subject to a reliable identification process guaranteeing its link to the absentee voting form, to the following address: ct-mandataires-assemblees@caceis.com, specifying their last name and first name(s), their address and complete bank details, as well as the last name and first name(s) of the proxy appointed or revoked, and then asking their Financial Intermediary to send written confirmation (by post) to CACEIS Corporate Trust – Service Assemblées Générales Centralisées – 14, rue Rouget-de-Lisle – 92862 Issy-les-Moulineaux Cedex 9, France (or by fax to 00 33 (0)1 49 08 05 82).

For bearer shareholders, no matter how they participate, a shareholding certificate should be sent to CACEIS Corporate Trust by business day D-2.

In accordance with the law, all the documents that must be presented to this General Meeting are available to shareholders at Fnac Darty's registered office and on the Company's website: www.fnacdarty.com. They can also be requested from CACEIS Corporate Trust.

Should you wish to use the Votaccess online voting site

Fnac Darty provides its shareholders with a secure site for voting online in advance of the General Meeting.

For a General Meeting held behind closed doors, shareholders are not given the option to request an admission card online.

We recommend voting by proxy or online.

Voting online by proxy or by post

Shareholders may submit their voting instructions and assign or revoke a proxy online in advance of the General Meeting on the Votaccess site dedicated to the General Meeting, subject to the following terms:

- for registered shareholders (direct or managed): the registered shareholder may access the Votaccess site via the OLIS Shareholder site at https://www.nomi.olisnet.com by using the username given on the letter of convocation and following the on-screen instructions.

  If you do not have your personal username and/or password, you may request one from CACEIS Corporate Trust by letter, which must be received no later than **May 22, 2020**. The login details will be sent to you by post.

  After logging in to the OLIS Shareholder site, the registered shareholder must follow the on-screen instructions to access the Votaccess site and vote or assign or revoke a proxy;
- for bearer shareholders: it is the responsibility of bearer shareholders holding at least one share to find out whether or not their account-holding institution is registered with the Votaccess site and, if applicable, what the terms of use of the Votaccess site are. If the shareholder's account-holding institution is registered with the Votaccess site, the shareholder must log in to the web portal of the account-holding institution with their usual login details. The shareholder must then follow the on-screen instructions to access the Votaccess site and vote, assign or revoke a proxy. Note that only bearer shareholders whose account-holding institution has joined the Votaccess website may vote (or assign or revoke a proxy) online.

The Votaccess website for the General Meeting on **May 28, 2020** will be open from **May 6, 2020**. The deadline for voting will be the day **before the General Meeting at 3:00 p.m.** Paris time. Votes made by proxy, including those submitted electronically via the Votaccess website, must reach the Company no later than the fourth day preceding the date of the General Meeting, i.e. on **Sunday, May 24, 2020**.

To avoid overloading the Votaccess website, shareholders are advised not to wait until the day before the General Meeting to enter their instructions.

As an exception to section III of Article R. 225-85 of the French Commercial Code and without the need for a clause in the bylaws to this effect, any shareholder who has already cast an absentee vote, sent a proxy, or requested an admission card or shareholding certificate under the conditions set out in the last sentence of section II of the same article may choose another means of participation, provided that their instruction in this regard reaches the Company within the required timeframe. As an exception to the second sentence of Article R. 225-80 of this code, any previous instructions received will then be considered revoked.

How to complete the form

STEP I

STATE HOW YOU WANT TO PARTICIPATE

- **For a General Meeting held behind closed doors, box A is not relevant**, as shareholders are not able to attend the General Meeting in person.
- **AS YOU WILL NOT BE ATTENDING THE MEETING,** select option 1, 2 or 3 of the absentee voting methods below.

1 TO VOTE BY POST:

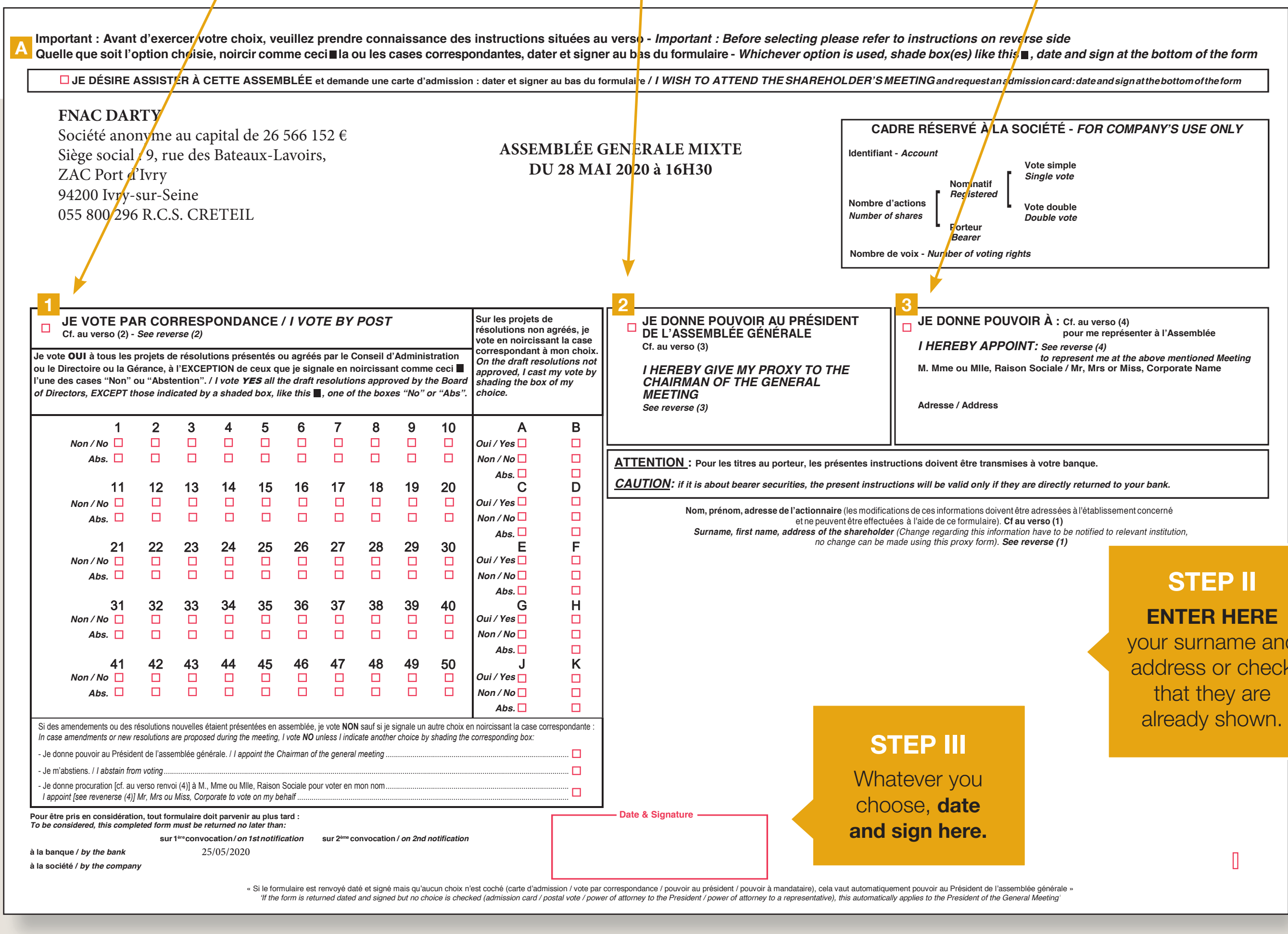
Check here; then date and sign the lower part of the form, shade the boxes corresponding to the resolutions that you do not wish to approve.

2 TO GIVE PROXY TO THE CHAIRMAN OF THE GENERAL MEETING:

Check here, then date and sign the lower part of the form.

3 TO GIVE PROXY TO A THIRD PARTY (ANY INDIVIDUAL OR LEGAL PERSON OF YOUR CHOICE) TO VOTE BY POST:

Check here, write the address of that person, then date and sign the lower part of the form.



A Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - *Important : Before selecting please refer to instructions on reverse side*
Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - *Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form*

☐ JE DÉSIRE ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission : dater et signer au bas du formulaire / *I WISH TO ATTEND THE SHAREHOLDER'S MEETING and request an admission card: date and sign at the bottom of the form*

FNAC DARTY
Société anonyme au capital de 26 566 152 €
Siège social : 9, rue des Bateaux-Lavoirs,
ZAC Port d'Ivry
94200 Ivry-sur-Seine
055 800 296 R.C.S. CRETEIL

ASSEMBLÉE GENERALE MIXTE
DU 28 MAI 2020 à 16H30

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions - *Number of shares*: Nominatif / *Registered* (Vote simple / *Single vote*; Vote double / *Double vote*); Porteur / *Bearer*
Nombre de voix - *Number of voting rights*

1 ☐ JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST*
Cf. au verso (2) - *See reverse (2)*

Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ l'une des cases "Non" ou "Abstention". / *I vote **YES** all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box, like this ■, one of the boxes "No" or "Abs".*

Sur les projets de résolutions non agréés, je vote en noircissant la case correspondant à mon choix. *On the draft resolutions not approved, I cast my vote by shading the box of my choice.*

	1	2	3	4	5	6	7	8	9	10
Non / No	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Abs.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	11	12	13	14	15	16	17	18	19	20
Non / No	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Abs.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	21	22	23	24	25	26	27	28	29	30
Non / No	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Abs.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	31	32	33	34	35	36	37	38	39	40
Non / No	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Abs.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
	41	42	43	44	45	46	47	48	49	50
Non / No	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐
Abs.	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

	A	B
Oui / Yes	☐	☐
Non / No	☐	☐
Abs.	☐	☐
	C	D
Oui / Yes	☐	☐
Non / No	☐	☐
Abs.	☐	☐
	E	F
Oui / Yes	☐	☐
Non / No	☐	☐
Abs.	☐	☐
	G	H
Oui / Yes	☐	☐
Non / No	☐	☐
Abs.	☐	☐
	J	K
Oui / Yes	☐	☐
Non / No	☐	☐
Abs.	☐	☐

Si des amendements ou des résolutions nouvelles étaient présentées en assemblée, je vote **NON** sauf si je signale un autre choix en noircissant la case correspondante :
*In case amendments or new resolutions are proposed during the meeting, I vote **NO** unless I indicate another choice by shading the corresponding box:*
- Je donne pouvoir au Président de l'assemblée générale. / *I appoint the Chairman of the general meeting* ☐
- Je m'abstiens. / *I abstain from voting* ☐
- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom *I appoint [see revenerse (4)] Mr, Mrs ou Miss, Corporate to vote on my behalf* ☐

2 ☐ JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

3 ☐ JE DONNE POUVOIR À : Cf. au verso (4) pour me représenter à l'Assemblée
I HEREBY APPOINT: See reverse (4) to represent me at the above mentioned Meeting
M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
Adresse / Address

ATTENTION : Pour les titres au porteur, les présentes instructions doivent être transmises à votre banque.
CAUTION: *if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.*

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). **Cf au verso (1)**
Surname, first name, address of the shareholder** (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). **See reverse (1)

Pour être pris en considération, tout formulaire doit parvenir au plus tard :
To be considered, this completed form must be returned no later than:

	sur 1ère convocation / *on 1st notification*	sur 2ème convocation / *on 2nd notification*
à la banque / *by the bank*	25/05/2020	
à la société / *by the company*		

Date & Signature

« Si le formulaire est renvoyé daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'assemblée générale »
'If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies to the President of the General Meeting'

STEP II

ENTER HERE your surname and address or check that they are already shown.

STEP III

Whatever you choose, **date and sign here.**

IF YOU WANT TO ASK A QUESTION

You may send in your **written questions** prior to the meeting, addressed to the Chairman of the Board of Directors, **by no later than** (as an exception during the present circumstances) the second business day before the date of the General Meeting, namely **Tuesday, May 26, 2020**:

- by registered mail with confirmation of receipt, to:

  Fnac Darty, 9, rue des Bateaux-Lavoirs, ZAC Port d'Ivry, 94200 Ivry-sur-Seine, France; or

- by e-mail to: actionnaires@fnacdarty.com.

Written questions must be accompanied by a shareholding certificate.

During the present situation, we ask that you send questions via e-mail to: actionnaires@fnacdarty.com

BRIEF OVERVIEW OF GROUP ACTIVITIES

Key figures

Operations in the Netherlands are recognized as discontinued operations, following the application of IFRS 5.

(€ million)	2018 Reported	2018 Continuing operations	2019	Change
Revenues	**7,475**	**7,132**	**7,349**	**+3.0%**
Change on a like-for-like basis [(a)]	*0.3%*			*+0.7%*
Current operating income	**296**	**304**	**293**	**-3.6%**
Current operating margin	*4.0%*	*4.3%*	*4.0%*	*-0.3 pt*
Net income from continuing operations for the year	**150**	**158**	**114**	**-€44m**
Free cash flow from operations, excluding IFRS 16	**153**	**158**	**173**	**+€15m**

(a) Like-for-like data excludes the effect of changes in foreign exchange rates, changes in scope, and openings and closures of stores.

2019 HIGHLIGHTS

Growth of revenue in 2019 in a complex market environment

Fnac Darty posted revenue of €7,349 million, up by +0.7% on a like-for-like [(1)] basis. This performance was achieved in a market environment affected by exceptional events which repeatedly impacted business activity, particularly in France: the ongoing “Yellow Vest” movements in the first quarter of 2019 and the social movements at the end of the year.

The additional revenue related to the scope of consolidation amounted to €159 million in 2019, from continuing operations.

Gross margin rate was 30.4%, down by -20 bps compared to 2018, mainly due to the lower weight of Christmas sales, impacted by the social movements in France, and the dilutive technical effect of the franchise development. The product/service mix effect remains slightly positive due to the favorable impact of the Nature & Découvertes integration.

Current operating income from continuing operations reached €293 million. It includes a contribution of slightly over €20 million from acquired companies in 2019. Thanks to cost control, the current operating margin from continuing operations remains solid at 4.0%.

Net income from continuing operations was €114 million in 2019 compared to €158 million in 2018. The decrease is mainly due to the increased financial expenses, impacted by €27 million in one-off costs related to the renegotiation of the bond issue in 2019, and a deferred tax benefit of approximately €10 million accounted in 2018 [(1)].

Fnac Darty continued to generate a strong free cash-flow from operations, excluding IFRS 16, amounting to €173 million, up €15 million compared to 2018.

On February 26, 2020, Fnac Darty announced the launch of a shareholder return policy, with a target distribution rate of 30% to 40%. The Group originally intended to recommend, at the General Meeting of shareholders on May 28, 2020, the distribution of an ordinary dividend of €1.50 per share for 2019, corresponding to a distribution rate of 35%, in line with the objectives.

Given how the COVID-19 epidemic is developing, and in line with the conditions required for the implementation of state-guaranteed loans, the Board of Directors withdrew the dividend proposal of €1.50 per share for 2019.

(1) Like-for-like data: excluding effect of changes in foreign exchange rates, changes in scope, and the openings and closures of stores.

Analysis of the impact of the transition to IFRS 16

The method used for the application of IFRS 16 is the modified retrospective method. It consists of reintegrating rent commitments into debt and, in turn, recognizing an asset called right of use. As a result, for lease contracts within the scope of IFRS 16, rental expenses are no longer recognized in the income statement, but instead are replaced by depreciation and financial charges. The payment of rents is divided between the repayment of the debt capital and financial charges. The main impacts of the standard therefore relate to EBITDA, the Group's debt position and the accounting financial expenses associated with this debt.

EBITDA was €626 million, up by €219 million compared to 2018. The impact associated with the application of IFRS 16 was €231 million in 2019. Excluding IFRS 16, EBITDA was €395 million, compared with €407 million in 2018 [(1)].

The application of IFRS 16 weighed down on financial costs by €21 million in the income statement. Lastly, at the end of 2019, the net debt position was €18 million excluding IFRS 16, compared with -€7 million in 2018.

Strengthened commitment to social and environmental responsibility

In 2019, the Group continued its initiatives to become a major player in the circular economy and to promote the extended life span of its products. Hence, Fnac Darty launched, at the end of October 2019, a new subscription-based repair service to extend the life span of large household appliances. This service, known as Darty Max, is available in all Darty stores. Darty Max is carrying on the Group's historic commitment to responsible consumption. The Group also continued its initiatives in helping customers to make an "educated choice", and in June created the "Sustainable Choice by Darty" – a label that helps consumers to easily identify, both in stores and online, the most sustainable products, based on the availability of spare parts and breakdown rate. This label has recently been extended to small household appliances and now covers a total of 82 products. Lastly, the repairability index was extended to smartphones, and the second "after-sales service barometer" was launched and will be renewed every year, in order to better inform the public about the life span of appliances and multimedia equipment.

In this context, Fnac Darty saw a significant improvement in its extra-financial ratings, reflecting the progress made in its commitments to social and environmental responsibility. In 2019, the Group obtained a rating of A2 from Vigeo Eiris (with a score of 44/100 compared to 35/100 in 2018), joined the "Outperformer" ranking of Sustainalytics (with a score of 68/100 compared to 61/100 in 2018) and had its rating improved to AA by MSCI (compared to A in the past three years). Finally, the CDP (Carbon Disclosure Project), which provides an international benchmark for corporate environmental transparency, upgraded Fnac Darty's rating to B (from D in 2018), ranking the Group above the average of its sector. In addition, the Group has also affirmed its environmental strategy by setting a quantified objective of reducing its CO_2 consumption in France by 50% by 2030, compared to the 2018 level. In order to incorporate this climate criterion into the Company's strategies, a Climate Committee was set up in 2019 to discuss and validate the roadmaps and action plans undertaken to achieve the stated reduction target.

A year of transformation and strengthening of the multi-specialist profile

In 2019, Fnac Darty continued to diversify and strengthen its profile as a multi-specialist.

Acquisition of Nature & Découvertes

During the second half of 2019, Fnac Darty finalized the acquisition of Nature & Découvertes, a leading omnichannel retailer of Natural and Wellbeing products. Created in 1990, Nature & Découvertes offers a unique product range with a network of 99 stores in Europe, and a website attracting more than 15 million visitors per year.

This acquisition allows Fnac Darty to continue to diversify its product offering by integrating a strong brand whose commitment to the values of curiosity, discovery and wellbeing will strengthen and enhance the Group's strategic positioning. Nature & Découvertes' commitment to ethical, eco-friendly consumption – highlighted by its B CORP certification – converges with Fnac Darty's commitment to provide an educated choice to customers, as well as its commitment to a more circular and responsible economy.

The rapid integration of Nature & Découvertes is in line with the initial plan. The first Nature & Découvertes shop-in-shop opened in Fnac La Rochelle in September 2019. At the end of December 2019, four Nature & Découvertes shop-in-shops were opened in Fnac stores, including one in Barcelona (Spain), representing the first establishment of the banner in the Iberian Peninsula. The ambition is to continue to expand the banner's presence in this region in 2020. In addition, Nature & Découvertes' range of products and its marketplace have begun to be integrated into the fnac.com product offering.

(1) Restated for the reclassification of BCC to discontinued operations.

Digital development and strengthening of the ticketing offer

Fnac Darty is present in the ticketing sector through its subsidiary France Billet, the leading distributor of event tickets in France, selling more than 12 million tickets in 2019.

In an environment of profound transformation, two significant transactions occurred in this sector in 2019.

In the first quarter, the Group acquired Billetreduc.com, which is a leading player in "last-minute" event ticketing in France; the website has 2.4 million visits a month. Billetreduc.com provides France Billet with a complementary ticketing offering in the growing last-minute market, allowing it to attract new audiences, become more attractive to event organizers and boost its ability to promote cultural diversity, discover new talents and offer consumers broader access to culture for all audiences.

In October 2019, in response to the increase in competition, particularly related to the disintermediation of the sector and the increased power of new sales segments, a strategic partnership was concluded with the CTS Eventim Group, the European leader in the ticketing sector, allowing France Billet to benefit from the technological innovation of CTS Eventim, one of the leading international providers of ticketing and live entertainment. This partnership allows France Billet to accelerate the development of its digital platform and enrich its value proposition towards its customers and partners. CTS Eventim now integrates into its offering the distribution of tickets for shows in France.

As part of the strategic partnership, CTS Eventim acquired a 48% stake in France Billet's share capital.

Integration of WeFix

The integration of WeFix, a French leader in express smartphone repair, acquired in October 2018, progressed according to plan, which aims to double the number of repair points. The Group has now become a key provider of smartphone repair and associated services. WeFix opened 42 stores in 2019, including 13 during the fourth quarter of the year. The total number of points of sale reached 96 at the end of 2019.

Fnac Darty continued to invest in developing the banner's capacities, specifically including the roll-out of the screen protection solution XForce in 138 stores at the end of 2019. Strategic partnerships have also been signed with Garantie Privée and Bouygues Telecom to provide common customers with a first-class repair experience. Finally, the integration of WeFix has enabled the Group to expand its offering in reconditioned phones, in which sales have more than tripled in comparison to 2018.

Continuation of the Confiance+ plan

In 2019, the Confiance+ strategic plan continued to be rolled out.

Strengthening of the omnichannel platform

First-rate digital and logistical capabilities

Fnac Darty continued with initiatives to reinforce its omnichannel footprint, primarily by accelerating the transformation of its digital platforms with the deployment of its Digital Factory project, which has improved the agility and speed of development of its e-commerce sites. The websites' search engines were optimized and the speed of the teams was increased in 2019.

E-commerce activities account for nearly 19% of revenue, and the performance of our e-commerce platforms in the fourth quarter was solid, with notably double-digit growth internationally.

In 2019, the development of online sales was marked by strong international growth and the continued development of Marketplaces.

The Group continued to strengthen its delivery offerings in 2019, and expanded its click&collect offering to include books, CDs and DVDs, offering the option of picking up purchases in one hour. The entire Fnac integrated store network in France has rolled out this new service. In 2019, there were 1.5 million one-hour collection orders for this product category in France.

Finally, in-store omnichannel initiatives continued, with more than 270 stores digitalized by the end of 2019. "Pay & Go", an innovative solution allowing customers to pay for their purchases via their smartphone without going through the checkout, was also rolled out in all Fnac's integrated stores in France. Fnac Darty was also rewarded for this disruptive innovation, and received the Gold Trophy at the CX Awards in the Innovation category.

Omnichannel sales accounted for 49% of online orders in 2019.

Continued expansion of the store network

The expansion of our store network continued apace in 2019, with a total of 78 openings, including one opening in a new country, Luxembourg. Fnac opened 38 stores in 2019 (26 in France, 1 in Tunisia, 1 in Luxembourg, 1 in Switzerland, 4 in Spain, 4 in Portugal and 1 in Belgium); 24 of these are franchises. Darty opened 36 stores in 2019 (35 in France and 1 in Tunisia); 31 of these are franchises.

Nature & Découvertes opened four new integrated stores in 2019, bringing the total number of stores under the banner to 99 (83 in France, 3 in Germany, 4 in Belgium, 1 in Luxembourg and 8 in Switzerland); 91 of these are integrated stores and 8 are franchises.

Fnac Darty had a total of 880 stores at the end of 2019, including Nature & Découvertes.

An enhanced customer experience

Increased diversification of the product offering

Diversification of the product and services offering continued in 2019, with the opening of dedicated small domestic appliance areas in Fnac stores in Spain, Portugal, Switzerland and France. By the end of 2019, 90 small household appliance areas were opened across the network under the banner of Darty or Fnac Home.

The Kitchen segment continued to expand, with the opening of 22 new points of sale during the year, including eight new stores exclusively dedicated to this offering. As a result, by the end of 2019, the Group had more than 150 Kitchen points of sale, including 11 stores dedicated exclusively to this offering.

The acquisition of Nature & Découvertes in 2019 allowed the Group to diversify its product offering by integrating a leading brand in the omnichannel distribution of Natural and Wellbeing products.

Finally, Fnac Darty continued to streamline its stores in 2019, redistributing the in-store sales areas to diversification categories that have continued to grow significantly, with double-digit growth over the year, and very strong performance in the Toys & Games and Urban Mobility categories.]

New service offerings

Fnac Darty also continued to develop its service offering, a major vector in differentiation and value creation, capitalizing in particular on Fnac's expertise in customer advice and Darty's after-sales service know-how.

Services continued to record growth in 2019, driven by the integration of WeFix and advertising businesses.

At the same time, the normalization of telephony/multimedia insurance commissions, and the gradual ramp-up of new offerings, had a negative impact on revenue and gross margin growth starting in the second quarter of 2019. These effects are expected to continue in the first half of 2020.

Enriched content to serve subscribers

Loyalty programs continued to expand in 2019. Together, Fnac+ and Darty+ have around 1.8 million subscribers and, since the launch of Darty+, have offered the first cross-banner loyalty program. Customers with just one of these two cards can take advantage of free and premium delivery from either banner.

As of the end of 2019, Fnac has a strong membership base of nearly 9 million, including 7 million in France.

The Group continued to pursue its strategy of enhancing its loyalty programs, by supplementing the Fnac and Fnac+ programs with offers to discover cultural content, both in terms of digital press, with access to more than 400 titles, and in terms of digital comic books via the Izneo Pass, giving access to more than 3,000 cartoon strips, comics and manga. The Pass Partenaires has also been extended, allowing loyal customers of both banners to benefit from attractive discounts at more than 70 partners.

Finally, in 2019, Fnac Darty offered targeted cross-banner promotions, encouraging the Group's customers to buy both from Fnac and Darty.

Expansion of Fnac Darty's ecosystem of partnerships

The omnichannel platform has also been enriched through new partnerships with the aim of strengthening the value proposition for both customers and partners.

In 2019, the Group entered into an exclusive distribution agreement with Xiaomi to market its latest smartphone and electric scooter. A first 50-sqm corner dedicated to Xiaomi products has also opened within the Fnac Montparnasse store. In addition, an exclusive partnership was signed at the end of the year with Angell Bike for the distribution of the Angell electric-assisted bike in some 30 Fnac stores from spring 2020. The partnership with Google continued to bear fruit in 2019 thanks to a stronger offering for connected devices. The Google offering is now available in dedicated areas in all of the Group's stores, including around fifty corners.

Finally, the Group launched the Nespresso capsule subscription in France in September 2019, with a strong success.

In November 2019, following the success of the "shop-in-shops" tests in Carrefour stores, Fnac Darty announced the continued development of this strategic partnership, and the ambition to roll out around thirty shop-in-shops under an exclusive operating contract, in Carrefour hypermarkets in France, under the Darty banner. The legal processes have begun, and the project is currently being examined by the French Competition Authority, in accordance with the planned schedule.

The Group also has three Darty shop-in-shops in Système U hypermarkets and one Fnac shop-in-shop in an Intermarché store, in addition to the 13 Fnac shop-in-shops in Intermarché's shopping malls.

Search for a partner for operations in the Netherlands

In January, Fnac Darty announced the launch of an active search for a partner that could result in a withdrawal from the Netherlands.

Given the efforts made to improve its operational agility and a renewed focus on markets in which the Group has a critical size, the search for a more suitable partner to ensure BCC's future is now relevant and will enable BCC to better seize its market opportunities.

ANALYSIS OF OPERATING PERFORMANCE

Full year 2019

Fnac Darty posted revenue of €7,349 million, up by +0.7% on a like-for-like [(1)] basis. This performance was achieved in a market environment affected by exceptional events which repeatedly impacted business activity, particularly in France: the ongoing "Yellow Vest" movements in the first quarter of 2019 and the social movements at the end of the year.

The additional revenue related to the scope of consolidation amounted to €159 million in 2019, from continuing operations.

Gross margin rate was 30.4%, down by -20 bps compared to 2018, mainly due to the lower weight of Christmas sales, impacted by the social movements in France, and the dilutive technical effect of the franchise development. The product/service mix effect remains slightly positive due to the favorable impact of the Nature & Découvertes integration.

Current operating income from continuing operations reached €293 million. It includes a contribution of slightly over €20 million from acquired companies in 2019. Thanks to cost control, the current operating margin from continuing operations remains solid at 4.0%.

2019 by reporting segment

France-Switzerland

Revenue for the France-Switzerland region was up +3.4% on a reported basis over the year, driven by the integration of Nature & Découvertes, and increased by +0.7% on a like-for-like[1] basis, against the backdrop of major social movements in France in December.

The year was marked by a slight drop in sales of Technical Products, primarily linked to the downturn in the TV segment, impacted by an unfavorable base effect (2018 FIFA World Cup), and the Photo segment, penalized by the increased competition from smartphones. This trend is partially offset by the strong sales momentum in the Sound segment, as well as the growth of the Telephony and IT segments.

Editorial Products were down, mainly due to the natural decline in CDs and DVDs. The Book segment showed good signs of resilience despite the impact of the social movements on store traffic in December 2019. The Gaming segment was impacted by a wait-and-see attitude among consumers pending the releases of new consoles scheduled for late 2020.

The growth in sales of Household Appliances was mainly driven by Large Household Appliances, while Small Household Appliances suffered from a less buoyant innovation cycle. The Diversification segment experienced strong growth thanks to a solid momentum in the Urban Mobility, Games & Toys and Kitchen segments, and the integration of Nature & Découvertes. Services slowed significantly, impacted by telephony insurance. This effect is expected to continue in the first half of 2020. The new "Darty Max" service offering, launched at the end of October 2019, will contribute to the transformation of the Group's service offering. The increase in the number of franchises continued apace, with the opening of 55 new franchise stores during the year.

Current operating income totaled €256.7 million in 2019 (compared with €263.6 million in 2018), impacted by the loss of revenue due to the social movements in France, where margins are generally higher in December, an unfavorable product mix effect, and the decline in telephony insurance, offset by the accretive effect related to the consolidation of Nature & Découvertes' results from August 2019 onward. The gross margin rate was 4.3% in 2019, down 20 basis points compared to 2018.

(1) Like-for-like data: excluding effect of changes in foreign exchange rates, changes in scope, and the openings and closures of stores.

Iberian Peninsula

Sales in the Iberian Peninsula were up +2.7% on a reported basis in 2019, and +1.0% on a like-for-like basis [1]. In Spain, Fnac Darty posted sales growth thanks to good operational execution despite the fierce competition from both physical and e-commerce players. In Portugal, the sales momentum remained solid throughout the year.

Sales in this region benefited from growth in Technical Products, mainly driven by the good sales momentum in Sound and Telephony, and the resilience of Books. The Diversification categories recorded strong growth, driven by Games & Toys and Urban Mobility. Services posted double-digit growth in Portugal in 2019, and a decline in Spain.

The region benefited from the continued network expansion, with the opening of 8 stores (4 in Spain and 4 in Portugal) during the year. Online sales also experienced double-digit growth in the region.

Current operating income stood at €25.0 million in 2019, compared to €25.4 million in 2018, i.e. almost stable thanks to cost control. The current operating margin was 3.5%, down 10 basis points.

Belgium-Luxembourg

Revenue for Belgium-Luxembourg varied by +0.3% on a reported basis and -0.4% on a like-for-like basis [1].

Despite a negative calendar effect and continued sustained competitive pressure, Belgium showed good resilience in sales, driven particularly by the growth in Large Household Appliances and the strong dynamism of the web channel.

The transformation plan launched for the Fnac banner in 2019 to boost in-store agility continued to be implemented. The Group opened its first store in Luxembourg this year.

Against a backdrop of intense competition, the current operating income came to €11.6 million in 2019 (compared to €15.1 million in 2018). The operating margin reached 1.9%, down 60 basis points compared to 2018.

Strong cash generation

Cash generation in 2019 remained solid. Free cash flow from operations excluding IFRS 16 amounted to €173 million, compared to €158 million in 2018. Working capital requirement improved significantly in 2019 to €49 million, compared to -€7 million in 2018 [2]. This improvement is mainly due to good inventory management and optimization of debt recovery. The Group continued to pursue a controlled investment policy, while continuing the roll-out of the Confiance+ strategic plan. As a result, net investments amounted to €145 million, compared to €114 million in 2018.

ANALYSIS OF FINANCIAL RESULTS

Growth of revenue in 2019 in a complex market environment

Fnac Darty posted revenue of €7,349 million, up +0.7% [1] on a like-for-like basis. This performance was achieved in a market environment affected by exceptional events which repeatedly impacted business activity, particularly in France: the ongoing “Yellow Vest” movements in the first quarter of 2019 and the social movements at the end of the year.

The additional revenue related to the scope of consolidation amounted to €159 million in 2019, from continuing operations.

Gross margin rate was 30.4%, down by -20 bps compared to 2018, mainly due to the lower weight of Christmas sales, impacted by the social movements in France, and the dilutive technical effect of the franchise development. The product/service mix effect remains slightly positive due to the favorable impact of the Nature & Découvertes integration.

Current operating income from continuing operations reached €293 million. It includes a contribution of slightly over €20 million from acquired companies in 2019. Thanks to cost control, the current operating margin from continuing operations remains solid at 4.0%.

Net income from continuing operations was €114 million in 2019 compared to €158 million in 2018. The decrease is mainly due to the increased financial expenses, impacted by €27 million in one-off costs related to the renegotiation of the bond issue in 2019, and a deferred tax benefit of approximately €10 million accounted in 2018.

(1) Like-for-like data: excluding effect of changes in foreign exchange rates, changes in scope, and the openings and closures of stores.
(2) Restated for the reclassification of BCC to discontinued operations.

FINANCIAL STRUCTURE

Net debt excluding IFRS 16 amounted to €18 million as of December 31, 2019, compared to -€7 million as of December 31, 2018. Free cash flow generation remained high in spite of an active acquisition policy in 2019.

Cash and cash equivalents totaled €996 million at the end of 2019.

As of December 31, 2019, the Group's financing covenants were met. The €400 million revolving facility was undrawn.

In the first half of 2019, Fnac Darty renegotiated its bond issue, improving the financial terms and extending its maturity. The strong success of this operation demonstrated the confidence of the financial markets in Fnac Darty's strategy. The Group's solid financial position was also highlighted by Standard & Poor's, which raised Fnac Darty's long-term credit rating to BB+ (stable outlook) in May 2019, in addition to the BBB- rating from Scope Ratings.

The debt restructurings conducted over the last 24 months strengthened the Group's financial structure and will reduce the cost of financial expenses by roughly €10 million on a full-year basis.

In 2019, Fnac Darty announced the signing of a loan agreement for €100 million with the European Investment Bank (EIB). Issued under the "Juncker plan", this loan will be used to finance Fnac Darty's digital transformation investments to support the deployment of Confiance+. This financing has a maximum maturity of nine years under very attractive terms.

Finally, Fnac Darty remained attentive to opportunities for return to its shareholders and continued to implement its share buyback program in 2019. As of December 31, 2019, 296,750 shares were repurchased and canceled. Since the implementation of its share buyback program in October 2018, the Group has repurchased and canceled 495,000 shares, representing around 2% of the share capital.

Summary income statement

(€ million)	2018 Reported	2018 Continuing operations	2019	Change
Revenues	**7,475**	**7,132**	**7,349**	**+3.0%**
Gross margin	**2,265**	**2,183**	**2,235**	
As a % of revenues	*30.3%*	*30.6%*	*30.4%*	**-0.2 pt**
Total costs	**1,969**	**1,879**	**1,942**	
As a % of revenues	*26.3%*	*26.3%*	*26.4%*	**+0.1 pt**
Current operating income	**296**	**304**	**293**	**-€11m**
As a % of revenues	*4.0%*	*4.3%*	*4.0%*	**-0.3 pt**
Other non-current operating income and expenses	*(39)*	*(39)*	*(29)*	
Operating income	**257**	**265**	**265**	**+€0m**
Net financial expense	(43)	(43)	(79)	
Income tax	(65)	(65)	(72)	
Net income from continuing operations [(a)]	**150**	**158**	**114**	**-€44m**
Net income from discontinued operations	0	(8)	(10)	
Consolidated net income, Group share	**150**	**150**	**105**	**-€45m**
EBITDA [(b)]	**399**	**407**	**626**	**+€219m**
As a % of revenues	*5.3%*	*5.7%*	*8.5%*	
EBITDA [(b)] **excluding IFRS 16**	**399**	**407**	**395**	**-€12m**

(a) Restated for the classification of BCC under discontinued operations.
(b) EBITDA = Earnings (current operating income) Before Interest, Tax, Depreciation, Amortization and provisions on fixed operational assets.

RECENT EVENTS AND OUTLOOK

In February 2020, the World Health Organization declared the crisis linked to the spread of COVID-19 a pandemic, resulting in public lockdowns in many countries around the world.

This document has therefore been updated since the management report and financial statements of February 26, 2020, the date of publication for the financial statements and assumptions underlying Fnac Darty's objectives.

Subsequent events are brought to the public's attention in this section.

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Analysis of first quarter 2020 revenue

Group revenue reached €1,490 million in the first quarter of 2020, down -7.9% on a reported basis and -10.3% on like-for-like basis, following the closure of physical stores in March.

Since the beginning of 2020, the COVID-19 epidemic, which initially expanded in China, has subsequently spread to Europe and many other parts of the world.

In January and February, the Group reported revenue growth of +2.8% on a reported basis and stable on a like-for-like basis, in a consumer environment marked by prolonged strikes in France in January and a shorter promotional sales period.

In February 2020, the Group first had to deal with production delays due to disruptions in industrial bases in China. Demonstrating its ability to adapt quickly, Fnac Darty put in place mechanisms to adjust its supplies.

In close collaboration with its suppliers, the Group drew up a tactical purchasing plan of around €80 million in key product categories, which was finally partially deployed. This measure ensured a good level of availability of these products and enabled the Group to meet the high demand on e-commerce platforms during the lockdown period.

The COVID-19 epidemic, which began in February, changed from a largely supply crisis into an unprecedented global health crisis in March 2020, with a sudden impact on the Group's business.

Due to the implementation of lockdown measures in all Group countries, in-store sales first fell sharply, then came to a complete shutdown.

Indeed, on the evening of 14 March, Fnac Darty closed all its physical stores in France and Spain. The stores in Switzerland and Belgium were closed on 17 March. Finally, the Group first partially closed its stores in Portugal on 19 March, before closing all its stores in that country on 31 March. As a result, the Group's revenue for the month of March was down around 30%, on a reported and like-for-like basis.

At the same time, thanks to the support of its customers and the excellent operational execution of its teams in a very difficult context, the Group managed to double its e-commerce sales in the last two weeks of March in all its countries.

Thanks to the agility of its unique omnichannel model, Fnac Darty has rapidly reallocated resources to strengthen its digital capabilities and service activities. The Group, 2nd largest e-commerce player in France [1], has relied on its powerful e-commerce platforms, which already accounted for 20% of its revenues in 2019, and which are sized to support very high levels of demand. Indeed, Fnac Darty's significant digital capacities, which have enabled it to achieve strong growth several times during periods such as Black Friday, and the dedicated commitment of its teams, enable it to meet very high product demand, despite a difficult operational context.

The Group's supply chain has also been adapted accordingly to meet and fulfil all orders as quickly as possible, while safeguarding the health and safety of its employees. Supplies are now exclusively redirected to the Group's central stock, to give capacity to the e-commerce platforms. Incentives, such as free home delivery for any purchase over €20 made on the fnac.com and darty.com websites, have been implemented and have sustained dynamic online sales.

(1) Source: FEVAD.

As a result, online sales increased by c.19% during the quarter, and by more than 100% during the last 15 days of March.

All product categories were impacted by the closure of stores from mid-March onwards and are decreasing. Online sales showed strong momentum in Technical Products driven by the IT, linked to the development of telework, Telephony and Television segments, and in the Domestic Appliances category driven notably by refrigerators, freezers and washing machines. Editorial Products recorded double-digit growth in online sales of Books and Gaming. Services were strongly negatively impacted by the closure of stores, as well as Ticketing activities.

As lockdown measures have been imposed in all countries where the Group operates, all of the Group's geographical areas have been significantly impacted. The France-Switzerland region reported a decline in sales of -8.5% on a reported basis and -11.1% on a like-for-like basis to €1,206 million. The Iberian Peninsula recorded sales of €140 million, down -7.3% on a reported basis and -9.8% on a like-for-like basis. Finally, the Belgium-Luxembourg region reported a decline in revenue of -2.6% on a reported basis and -3.5% on a like-for-like basis to €144 million.

Gross margin trend in the first quarter 2020

The gross margin rate was up slightly in January and February, driven by a favourable product mix. The estimated gross margin rate deteriorated sharply in March due to store closures, which had a significant negative impact on the services/products mix.

Flexibility of the business model to limit the impact on profitability and cash flow

As of March 16, the Group has implemented a temporary unemployment scheme for 80% of its employees in France, and similar measures were subsequently applied in other countries as a result of the closure of its stores.

The Group is revaluing rental payments and postponing the payment of taxes and social security charges, in line with the measures introduced by the government, while adjusting its business model by optimising its current operating expenditure and capital expenditure.

Strengthening liquidity and financial flexibility

Given the sudden shutdown of the Group's in-store activities, which occurred at a normally low point in the annual cash cycle (always characterized by strong seasonality in the specialized retail sector), €400 million revolving facility was fully drawn down on a preventive basis in mid-March. At the end of March, the corresponding cash remained available. Fnac Darty is determined, as a matter of priority, to pursue a trusted partner relationship with its suppliers over the long term, and will continue to operate in a responsible way during the crisis.

At the same time, in an uncertain post-crisis context, the Group decided to use additional financing to secure its liquidity. Fnac Darty has put in place a €500 million Term Loan facility guaranteed by the French State with a maturity of 1 year and with a 5-year extension option.

The Group was supported by all its French banking partners, Arkea, BNP Paribas, Bred, CIC, Crédit Agricole CIB, La Banque Postale, LCL, Natixis and Société Générale. Crédit Agricole coordinated the transaction.

In addition, the Group obtained a commitment from the lenders to accept the suspension of its financial covenants for the months of June and December 2020.

The Group has once again demonstrated its agility in terms of execution by being among the first issuers in France to obtain access to this state-guaranteed credit line within a very short timeframe. The success of this operation also demonstrates the confidence of the banking partners in the Fnac Darty model.

Fnac Darty is rated by the rating agencies S&P Global and Scope Ratings on a solicited basis, and by Moody's on an unsolicited basis. Following the increased uncertainty caused by the COVID-19 pandemic, on April 7, 2020, S&P Global downgraded Fnac Darty's rating from BB+ to BB, while lowering the outlook for this rating from stable to negative. On March 27, 2020, Moody's confirmed Fnac Darty's Ba2 rating, while lowering the outlook for this rating from stable to negative.

Withdrawal of the proposed dividend for the 2019 financial year and management compensation

In view of the evolution of the COVID-19 epidemic and in accordance with the conditions imposed for the implementation of a State Guaranteed Term Loan, the Board of Directors has withdrawn the dividend proposal of €1.50 per share for 2019, and will not proceed with share buyback programs in 2020.

The long-term shareholder return policy is also suspended and will be reviewed at a later date.

Fnac Darty announced on 26 February 2020 the launch of a shareholder return policy, with a target payout ratio between 30% and 40%. For the 2019 financial year, the Group had planned to recommend to the General Shareholders Meeting on 28 May 2020, the distribution of an ordinary dividend of €1.50 per share, corresponding to a distribution rate of 35%, in line with the objectives.

In addition, 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, that he was 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.

Financial objectives

The loss of in-store sales will have a material negative impact on the Group's financial results in 2020.

In this context, and in view of the significant impact of the epidemic on its activities, the Group had to announce on 17 March that it was no longer in a position to confirm its 2020 objectives, i.e. a slight growth in revenue and current operating income in 2020 compared to 2019.

The evolution of the crisis linked to the spread of COVID-19 remains uncertain for the moment, and its consequences on the world economy are difficult to quantify. The magnitude of the impact on the Group's activities in 2020 will depend on the duration of the lockdown period, possible legal restrictions / operational challenges on deliveries and consumption recovery post lockdown period. To date, the Group is not in a position to update its 2020 and medium-term objectives. The Group continues to monitor and periodically re-evaluate, with the utmost attention, the evolution of the situation and its impact on its activities and results.

Conduct of corporate affairs

Pursuant to legal and regulatory provisions, we hereby inform you that during the 2019 financial year and to date, Fnac Darty has carried on its corporate affairs in accordance with the conditions explained in its financial reporting and the Universal Registration Document registered with the AMF on April 20, 2020.

CURRENT COMPOSITION OF THE BOARD OF DIRECTORS

Name	Gender	Age [a]	Office	Main position held	Start of 1st term	Expiration of current term	Years on the Board	Board Committees
Jacques Veyrat *French*	M	57	Chairman and Independent Director	Chairman of Impala	2013	2022	6	Strategy Committee Chairman
Antoine Gosset-Grainville *French*	M	53	Vice-Chairman Independent Director	Founder of the law firm BDGS Associés	2013	2023	6	Appointments and Compensation Committee Chairman Strategy Committee Member
Daniela Weber-Rey *German*	F	62	Independent Director	Attorney	2017 [b]	2022	2	Audit Committee Member
Sandra Lagumina *French*	F	52	Independent Director	Managing Director, Asset Management, Meridiam	2017 [b]	2021	2	Audit Committee Member
Carole Ferrand *French*	F	49	Independent Director	Chief Financial Officer, Capgemini	2013	2020	6	Audit Committee Chair Strategy Committee Member
Delphine Mousseau *French*	F	48	Independent Director	Independent Consultant	2017 [b]	2020	2	Corporate, Environmental and Social Responsibility Committee Member
Nonce Paolini *French*	M	70	Independent Director	Corporate Director	2013	2021	6	Appointments and Compensation Committee Member
Brigitte Taittinger-Jouyet *French*	F	60	Independent Director	Corporate Director	2013	2020	6	Corporate, Environmental and Social Responsibility Committee Chair Appointments and Compensation Committee Member Strategy Committee Member
Caroline Grégoire Sainte Marie *French*	F	62	Independent Director	Corporate Director	2018	2021	2	Corporate, Environmental and Social Responsibility Committee Member
Jean-Marc Janaillac *French*	M	65	Independent Director	Chairman of SAS Hermina	2019	2022	1	Corporate, Environmental and Social Responsibility Committee Member
Javier Santiso *French and Spanish*	M	51	Independent Director	Chairman and Chief Executive Officer of Mundi Ventures	2019	2023	1	
Enrique Martinez *Spanish*	M	49	Chief Executive Officer	Chief Executive Officer of Fnac Darty	2019	2023	1	Strategy Committee Member
Franck Maurin *French*	M	64	Director representing employees	Product manager	2019	2023	1	

(a) As of December 31, 2019.

(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.

Personal information concerning the Board members whose term of office is submitted for renewal to the Combined Ordinary and Extraordinary General Meeting of May 28, 2020

Carole Ferrand	49 years old – French nationality

Independent Director

Chair 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 2020 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. She became Chief Financial Officer of the Capgemini Group in June 2018.

Positions and offices held at December 31, 2019 outside the Group

In France: Honorary Chair and Director of Terra Nova (non-profit association under French Law of 1901)

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 Cap Gemini (a)
- Director of Sebdo, Le Point
- Director of Archer Obligations (formerly Artémis 21)
- Director of Éditions Tallandier
- Member of the Audit Committee of Cap Gemini (a)
- Director of Palazzo Grassi
- Director of the Pinault Collection – Paris

(a) Listed French companies.

Brigitte Taittinger-Jouyet

60 years old – 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

27, rue Saint-Guillaume
75007 Paris, France

Date of first appointment: April 17, 2013
Term expiration date: Ordinary General Meeting called in 2020 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).

Positions and offices held at December 31, 2019 outside the Group

In France: Director of HSBC France, Director and member of the Appointments and Compensation Committee and CSR and Ethics Committee of SUEZ

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

- Director of the Centre Georges Pompidou
- Director of the Festival d'Aix
- Chair of the Société des Parfums Annick Goutal

Delphine Mousseau

48 years old – French nationality

Independent Director

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 2020 to approve the financial statements for the previous year
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 Primondo Group. From 2014 to 2018, Delphine Mousseau was VP Markets at Zalando. She is currently an independent consultant.

Positions and offices held at December 31, 2019 outside the Group

In France: Member of the Management Board of Modacin

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

- VP Markets of Zalando SE

AGENDA OF THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF MAY 28, 2020

For the Ordinary General Meeting

1. Approval of the annual financial statements for the year ended December 31, 2019.
2. Approval of the consolidated financial statements for the year ended December 31, 2019.
3. Approval of the expenses and charges referred to in Article 39-4 of the French General Tax Code.
4. Allocation of income for the financial year.
5. Special Auditors' Report on related-party agreements and commitments – Acknowledgement of absence of new agreement.
6. Renewal of term of office of Carole FERRAND as a Director.
7. Renewal of term of office of Brigitte TAITTINGER-JOUYET as a Director.
8. Renewal of term of office of Delphine MOUSSEAU as a Director.
9. Annual fixed amount to be allocated to members of the Board.
10. Approval of the compensation policy of members of the Board of Directors.
11. Approval of the compensation policy of the Chairman of the Board of Directors.
12. Approval of the compensation policy of the Chief Executive Officer and/or any other executive corporate officer.
13. Approval of the information referred to in point I of Article L. 225-37-3 of the French Commercial Code.
14. Approval of fixed, variable and exceptional components of total compensation and benefits of any kind paid or allocated for the past year to Jacques VEYRAT, Chairman of the Board of Directors.
15. Approval of fixed, variable and exceptional components of total compensation and benefits of any kind paid or allocated for the past year to Enrique MARTINEZ, Chief Executive Officer.
16. Authorization to the Board of Directors to instruct the Company to buy back its own shares under Article L. 225-209 of the French Commercial Code, duration of authorization, purposes, terms, ceiling, suspension during a public tender offer.

For the Extraordinary General Meeting

17. Amendment of Article 12 of the bylaws concerning the threshold triggering the obligation to appoint a second Director representing employees to the Board of Directors.
18. Authorization to the Board of Directors to cancel shares bought by the Company under Article L. 225-209 of the French Commercial Code, duration of authorization, ceiling.
19. Authorization to the Board of Directors to allot existing bonus shares and/or bonus shares to be issued to employees of the Company or companies or economic interest groups associated for a period of four months; waiver by shareholders of their preemptive subscription rights, ceiling, duration of the vesting period, particularly in the event of disability.
20. Authorization to the Board of Directors to allot existing bonus shares and/or bonus shares to be issued to employees and/or certain corporate officers of the Company or companies or economic interest groups associated with effect from the expiry of the preceding authorization; waiver by shareholders of their preemptive subscription rights, duration of the authorization, ceiling, duration of the vesting period, particularly in the event of disability.
21. Amendment of Article 15 of the bylaws to provide for the written consultation of Directors.
22. Harmonization of the bylaws.
23. Textual references applicable in the event of a change of codification.
24. Powers for formalities.

DRAFT RESOLUTIONS TO BE SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF MAY 28, 2020, AND OBJECTIVES

For the Ordinary General Meeting

APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS

- Purposes of Resolutions 1 to 4

The purpose of the **First Resolution** is to approve the annual financial statements of Fnac Darty for 2019, which report a net loss of -€8,992,908.85.

The purpose of the **Second Resolution** is to approve the consolidated financial statements of Fnac Darty for 2019, which report a profit (Group share) of €104,898,916.55.

The purpose of the **Third Resolution** is to approve the overall amount of expenses connected with the non-tax-deductible long-term leasing of vehicles amounting to €39,689 along with the corresponding tax.

The purpose of the **Fourth Resolution** is the appropriation of earnings from 2019. You are asked to allocate the whole of the loss for 2019, totaling €8,992,908.85, to retained earnings in full. The balance of the retained earnings account will therefore decrease from €311,432,503.86 to €302,439,595.01.

In accordance with Article 243 bis of the French General Tax Code, we note that there has been no dividend or income distribution for the past three years.

On February 26, 2020, Fnac Darty announced the launch of a shareholder return policy, with a target distribution rate of 30% to 40%. The Group originally intended to recommend, at the General Meeting of shareholders on May 28, 2020, the distribution of an ordinary dividend of €1.50 per share for 2019, corresponding to a distribution rate of 35%, in line with the objectives.

Given how the COVID-19 epidemic is developing, and in line with the conditions required for the implementation of state-guaranteed loans, the Board of Directors withdrew the dividend proposal of €1.50 per share for 2019.

The Management Report for 2019 is available on the Company's website (www.fnacdarty.com, "Shareholders" section). The Statutory Auditors' Reports on the annual financial statements and the consolidated financial statements are in chapter 5 of the Universal Registration Document.

FIRST RESOLUTION

Approval of the annual financial statements for the year ended December 31, 2019

The General Meeting, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Report, approves the annual financial statements for the year ended December 31, 2019, as presented, showing a loss of €8,992,908.85.

SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2019

The General Meeting, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Report, approves the consolidated financial statements for the year ended December 31, 2019, as presented, which reported a profit (Group share) of €104,898,916.55.

THIRD RESOLUTION

Approval of the expenses and charges referred to in Article 39-4 of the French General Tax Code

In line with the provisions of Article 223 quater of the French General Tax Code, the General Meeting approves the total amount of expenses and charges, in this case totaling €39,689, referred to in point 4 of Article 39 of the French General Tax Code, as well as the corresponding tax, given in the Notes to these financial statements.

FOURTH RESOLUTION

Allocation of income for the financial year

The General Meeting, on the proposal of the Board of Directors, resolves to allocate the net income for the year ended December 31, 2019, namely a loss of €8,992,908.85, to the "Retained earnings" account which, given its previous balance of €311,432,503.86, will decrease to €302,439,595.01.

In accordance with Article 243 bis of the French General Tax Code, the General Meeting notes there has been no dividend or income distribution for the past three years.

REGULATED AGREEMENTS

- **Purpose of the Resolution 5**

The purpose of the **Fifth Resolution** is to acknowledge the absence of any new agreement of the type referred to in Article L. 225-38 of the French Commercial Code.

FIFTH RESOLUTION

Special Auditors' Report on related-party agreements and commitments – Acknowledgement of absence of new agreement

Having reviewed the Special Report of the Statutory Auditors outlining the absence of any new agreement of the type referred to in Articles L. 225-38 et seq. of the French Commercial Code, the General Meeting acknowledges this outright.

DIRECTORS' TERMS OF OFFICE

- **Purpose of the Resolutions 6 to 8**

The Sixth to Eighth Resolutions are intended to approve the renewal of the terms of office as Directors of Carole FERRAND (Sixth Resolution), Brigitte TAITTINGER-JOUYET (Seventh Resolution), and Delphine MOUSSEAU (Eighth Resolution).

It is noted that Carole FERRAND, Brigitte TAITTINGER-JOUYET and Delphine MOUSSEAU are considered as independent (compliance with the independence criteria was assessed by the Board of Directors at its meeting of February 26, 2020 on proposal of the Appointments and Compensation Committee). In this regard, it is specifically noted that Carole FERRAND, Brigitte TAITTINGER-JOUYET and Delphine MOUSSEAU do not have any business relationship with the Group.

Carole FERRAND is Chair of the Audit Committee and a member of the Strategic Committee.

Brigitte TAITTINGER-JOUYET is Chair of the Corporate, Environmental and Social Responsibility Committee and a member of the Appointments and Compensation Committee and the Strategic Committee.

Delphine MOUSSEAU is a member of the Corporate, Environmental and Social Responsibility Committee.

With respect to their involvement in the corporate life of the Company, on the Board of Directors and the specialized committees, and to their professional skills and experience described in their curriculum vitae in section 3.1.3 "Corporate governance" of the Universal Registration Document available on the Company's website (www.fnacdarty.com, "Shareholders" page), we ask your General Meeting, on the recommendation of the Appointments and Compensation Committee, to renew the terms of office of Carole FERRAND, Brigitte TAITTINGER-JOUYET and Delphine MOUSSEAU, for a period of four years, expiring at the end of the General Meeting called in 2024 to approve the financial statements of the previous year.

As a result, at the close of the General Meeting, the Board of Directors will consist of 13 members, 11 of whom are Independent Directors and six of whom are women. The composition of the Board would therefore comply with the AFEP-MEDEF Code as regards the number of Independent Directors and the legally required minimum of 40% representation of each gender on the Board.

SIXTH RESOLUTION

Renewal of term of office of Carole FERRAND as a Director

The General Meeting resolves to renew the term of office of Carole FERRAND as Director for a four-year term expiring at the close of the General Meeting to be held in 2024 to approve the financial statements for the preceding year.

SEVENTH RESOLUTION

Renewal of term of office of Brigitte TAITTINGER-JOUYET as a Director

The General Meeting resolves to renew the term of office of Brigitte TAITTINGER-JOUYET as Director for a four-year term expiring at the close of the General Meeting to be held in 2024 to approve the financial statements for the preceding year.

EIGHTH RESOLUTION

Renewal of term of office of Delphine MOUSSEAU as a Director

The General Meeting resolves to renew the term of office of Delphine MOUSSEAU as Director for a four-year term expiring at the close of the General Meeting to be held in 2024 to approve the financial statements for the preceding year.

ANNUAL FIXED AMOUNT TO BE ALLOCATED TO MEMBERS OF THE BOARD

- Purpose of the Resolution 9

Given the increase in the size of the Board resulting, in accordance with the applicable legal provisions, from the appointment in 2019 of a first Director representing employees (without increasing the fixed annual amount to be allocated to the Directors) and the forthcoming appointment of a second Director representing employees, it is proposed to raise the fixed annual amount to be allocated to the Directors for the current year from €450,000 to €500,000, until a new decision has been made.

NINTH RESOLUTION

Annual fixed amount to be allocated to members of the Board

The General Meeting resolves to increase the annual fixed amount to be allocated to the Board of Directors from €450,000 to €500,000.

This decision, applicable to the current financial year, will be maintained until a new decision has been made.

APPROVAL OF THE COMPENSATION POLICY FOR CORPORATE OFFICERS

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 subject to furlough measures 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.

- **Purpose of the Resolutions 10 to 12**

In accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, it is proposed to the General Meeting (Tenth to Twelfth Resolutions):

- **by the Tenth Resolution,** to approve the compensation policy of the members of the Board of Directors;
- **by the Eleventh Resolution,** to approve the compensation policy of the Chairman of the Board of Directors;
- **by the Twelfth Resolution,** to approve the compensation policy of the Chief Executive Officer and/or any other executive corporate officer.

The compensation policy of the members of the Board of Directors, the Chairman of the Board of Directors and the CEO and/or any other executive corporate officer is presented in the Report on Corporate Governance, as set out in the Universal Registration Document, section 3.3.1.

TENTH RESOLUTION

Approval of the compensation policy of members of the Board of Directors

The General Meeting, acting pursuant to Article L. 225-37-2 of the French Commercial Code, approves the compensation policy of the members of the Board of Directors presented in the Report on Corporate Governance set out in the explanatory memorandum in section 3.3.1 of the Universal Registration Document.

ELEVENTH RESOLUTION

Approval of the compensation policy of the Chairman of the Board of Directors

The General Meeting, acting pursuant to Article L. 225-37-2 of the French Commercial Code, approves the compensation policy of the Chairman of the Board of Directors presented in the Report on Corporate Governance set out in the explanatory memorandum in section 3.3.1 of the Universal Registration Document.

TWELFTH RESOLUTION

Approval of the compensation policy of the Chief Executive Officer and/or any other executive corporate officer

The General Meeting, acting pursuant to Article L. 225-37-2 of the French Commercial Code, approves the compensation policy of the Chief Executive Officer and/or any other executive corporate officer presented in the Report on Corporate Governance set out in the explanatory memorandum in section 3.3.1 of the Universal Registration Document.

APPROVAL OF THE INFORMATION REFERRED TO IN POINT I OF ARTICLEL. 225-37-3 OF THE FRENCH COMMERCIAL CODE

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 subject to furlough measures 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.

- **Purpose of the Resolution 13**

In accordance with Article L. 225-100 II of the French Commercial Code, it is proposed to the General Meeting, by the vote on the **Thirteenth Resolution,** to approve the information referred to in point I of Article L. 225-37-3 of the French Commercial Code, presented in the Report on Corporate Governance, as set out in section 3.3.2 of the Universal Registration Document.

THIRTEENTH RESOLUTION

Approval of the information referred to in point I of Article L. 225-37-3 of the French Commercial Code

The General Meeting, acting pursuant to Article L. 225-100 II of the French Commercial Code, approves the information laid down in point I of Article L. 225-37-3 of the French Commercial Code referred to in the Report on Corporate Governance set out in the explanatory memorandum in the Universal Registration Document, section 3.3.2; the specific resolutions concerning the approval of the fixed, variable and exceptional elements comprising the total compensation and benefits of any kind paid during or allocated in respect of the period ended December 31, 2019 to the Chairman and the Chief Executive Officer are subject to vote.

APPROVAL OF FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID OR ALLOCATED FOR THE PAST YEAR TO JACQUES VEYRAT, CHAIRMAN OF THE BOARD OF DIRECTORS AND ENRIQUE MARTINEZ, CHIEF EXECUTIVE OFFICER

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 subject to furlough measures 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.

- **Purpose of the Resolutions 14 and 15**

<u>Purpose of the Fourteenth Resolution</u>

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past year or allocated in respect of that year to Chairman of the Board Jacques VEYRAT for the performance of his duties, in accordance with the compensation principles and criteria voted by the General Meeting of May 23, 2019 in its Tenth Resolution, are submitted for the approval of the shareholders.

These components are presented below:

2019 fixed compensation

The Chairman’s 2019 gross annual fixed compensation was set at €200,000 and has not changed since 2017.

The gross amount allocated in respect of and paid during 2019 to Jacques VEYRAT was €200,000 (amount submitted to vote).

Purpose of the Fifteenth Resolution

By the vote on the Fifteenth Resolution, in accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during the past year or allocated in respect of that year to Chief Executive Officer Enrique MARTINEZ for the performance of his duties, in accordance with the compensation principles and criteria voted by the General Meeting of May 23, 2019 in its Eleventh Resolution, are submitted for the approval of the shareholders.

These components are presented below:

2019 fixed compensation

The Chief Executive Officer’s 2019 gross annual fixed compensation was set at €750,000. The gross amount allocated in respect of and paid to him during 2019 for his duties as Chief Executive Officer was €750,000 (amount submitted to vote).

2018 annual variable compensation paid in 2019

The gross annual variable amount allocated to the Chief Executive Officer in 2018 was €540,177 (amount submitted to vote). This amount was paid in May 2019, after the General Meeting of May 23, 2019, in accordance with the applicable provisions.

It is recalled that the total achievement rate of the 2018 variable was 81.84% of the maximum potential.

2019 annual variable compensation (to be paid subject to the favorable vote of the General Meeting)

For 2019, 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.

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 (incorporated in accordance with the recommendations of the AFEP-MEDEF Code) and 20% on qualitative goals.

For 2019, the business and financial targets set by the Board of Directors for the variable portion are set out below:

- Group current operating income (COI) accounts for 35% of the total objective for an achievement level of 100% of the target, with a maximum of 150% in the event of outperformance;
- Group free cash flow (FCF) accounts for 15% of the total objective for an achievement level of 100% of the target, with a maximum of 150% in the case of outperformance;
- Group revenues accounts for 15% of the total objective for an achievement level of 100% of the target, with a maximum of 150% in the case of outperformance; and
- growth of the Group’s market share accounts for 5% of the total objective for an achievement level of 100% of the target, with a maximum of 150% in the case of outperformance.

For 2019, the objectives related to the Company's corporate, social and environmental responsibility set by the Board of Directors for the variable portion are set out below:

- the Group's non-financial rating accounts for 5% of the total objective for an achievement level of 100% of the target, with a maximum of 150% in the case of outperformance; and
- employee commitment accounts for 5% of the total objective for an achievement level of 100%, with a maximum of 150% in the case of outperformance.

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

- a trigger point below which no remuneration is payable for the objective concerned, and
- a level of achievement beyond which the compensation is capped at 150% for the objective concerned.

For each business 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 objective set and the cap (100% and 150%).

At its meeting called to approve the annual financial statements, the Board of Directors measures each of the business, financial and corporate, social and environmental responsibility criteria, based on the performance for the whole of 2019. 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 2019 was partially achieved. The result falls between the trigger threshold and the target set. Thus the variable compensation on this criterion is 86.53%, or a variable rate of 30.29% for a target potential of 35% and a maximum of 52.5%.

The free cash flow target in 2019 was exceeded. The result falls between the target set and the cap. Thus the variable compensation on this criterion is 120.40%, or a variable rate of 18.06% for a target potential of 15% and a maximum of 22.5%.

Impacted heavily by social unrest in France, the 2019 revenue target was partially achieved. The result falls between the trigger threshold and the target set. Thus the variable compensation on this criterion is 25.96%, or a variable rate of 3.89% for a target potential of 15% and a maximum of 22.5%.

The objective of increasing market share was not achieved in the various key geographical regions. The result falls just below the trigger threshold. Thus the variable compensation on this criterion is 0%, or a variable rate of 0% for a target potential of 5% and a maximum of 7.5%.

The corporate, social and environmental responsibility objective as measured by the Group's non-financial rating was exceeded with a significant improvement in the corporate, social and environmental responsibility rating in 2019. Close to the cap, the result falls between the target set and the cap. Thus the variable compensation on this criterion is 145%, or a variable rate of 7.25% for a target potential of 5% and a maximum of 7.5%.

The objective related to employee commitment was exceeded, with a significant increase in the indicator measured among employees, conducted through the analysis of monthly results and the concrete actions it allows. Close to the cap, the result falls between the target set and the cap. Thus the variable compensation on this criterion is 135%, or a variable rate of 6.75% for a target potential of 5% and a maximum of 7.5%.

The qualitative goals were assessed by the Board. The 2019 qualitative goals set for the variable portion were as follows:

- quality of management, social climate, quality of financial communication, quality of shareholder reporting, relations with Directors;
- speed and quality of deployment of Confiance+; and
- speed of execution and quality of deployment of Client+.

The Board also recognizes the excellent results delivered by the Chief Executive Officer within a particularly difficult economic environment. Thus the variable compensation rate on these criteria is 125%, or a variable rate of 25% for a target potential of 20% and a maximum of 30%.

The Board appreciated the excellent performance of Enrique MARTINEZ, who was able to implement numerous initiatives during a complex year that was significantly impacted by social unrest in France, enabled the Company to strengthen its work around the corporate mission and make it a vehicle for differentiation with, for example, the launch of Darty Max or the Sustainable Choice label, and successfully completed a major external growth transaction with the acquisition of Nature & Découvertes.

The total achievement rate of the 2019 variable portion was 60.83% of the maximum, and the gross amount due for 2019 is €684,299 (amount submitted to vote).

This amount will not be paid until after the General Meeting of May 28, 2020, provided it approves the Chief Executive Officer's compensation components in accordance with Article L. 225-100 III of the French Commercial Code.

Long term compensation, stock options and performance shares

At its meeting of May 23, 2019, on the recommendation of the Appointments and Compensation Committee and pursuant to the powers conferred upon it by the Fourteenth Resolution of the General Meeting of June 17, 2016 to award bonus shares to the employees and/or certain corporate officers, the Board of Directors decided to implement a long-term variable compensation plan that respects the cap set and approved by the General Meeting of May 23, 2019 in its Eleventh Resolution.

The plan consists of the awarding of 31,752 performance shares within the framework of a three-year plan (from May 23, 2019 to May 22, 2022).

The vesting of these performance shares is subject to:

- the fulfillment of a market performance condition measured by the Company's Total Shareholder Return (TSR) compared to the SBF120, for the entire vesting period in 2022 for the period 2019–2021;
- the fulfillment of a performance condition related to the achievement of a level of Free Cash Flow valued for the entire vesting period in 2022, taking into account the cash flow generated by the Group during the years 2019, 2020 and 2021;
- the fulfillment of a performance condition related to the Company's corporate, social and environmental responsibility valued for the entire vesting period in 2022, taking into account the Group's non-financial ratings for 2019, 2020 and 2021; and
- a condition of employment within the Company on May 22, 2022, the maturity date of the plan.

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.

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 2019, was €1,599,983 (amounts submitted to vote). This valuation, for market items, was calculated using the Black & Scholes method based on the following parameters: a reference share price equal to €67.60 (price on the first day of the vesting period, May 23, 2019) per share, volatility of 25% 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.

On the recommendation of the Appointments and Compensation Committee, at its meeting of April 28, 2017, the Board of Directors set out the obligations arising from Articles L. 225-185 and L. 225-197-1 of the French Commercial Code to hold shares received from bonus share allotments and the exercise of stock options as follows:

- the executive corporate officers are required to 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;
- however, this percentage will be reduced to 5% once the number of shares held by executive corporate officers resulting from bonus share allotments and the exercise of options from all plans combined amounts to twice their gross fixed annual compensation, which constitutes the minimum number of shares that executive corporate officers have to hold in registered form until the expiry of their term of office, pursuant to paragraph 23 of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, Enrique MARTINEZ 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.

Exceptional compensation

No exceptional compensation was awarded to Enrique MARTINEZ in 2019 for his duties as Chief Executive Officer.

No amount is payable.

Other benefits

In 2019, Enrique MARTINEZ benefited from membership in an unemployment insurance plan for non-salaried corporate officers, the premiums for which were paid in the amount of €13,148 (submitted to vote). These contributions are subject to social security and employer taxes and are therefore treated as benefits in kind.

In 2019, as Chief Executive Officer, Enrique MARTINEZ had a company car, which is a benefit in kind valued at €4,010 for the period (accounting valuation – submitted to vote).

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 household 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 commitment, Enrique MARTINEZ will receive 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 may waive implementation of this clause.

No amount is payable by the Company for the year 2019.

This commitment was implemented by the Board of Directors on July 17, 2017 and was approved by the General Meeting of May 18, 2018. It was changed by the Board of Directors on February 20, 2019, so that it complied with the new June 2018 recommendations of the AFEP-MEDEF Code. This amendment was approved by the General Meeting of May 23, 2019.

With the exception of the non-compete agreement, there is no arrangement to pay Enrique MARTINEZ any severance package, allowance or benefits in the event of his termination or change of function.

Supplementary pension plan

On July 17, 2017, 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.

Contributions paid for his role as Chief Executive Officer in 2019 amounted to €11,156.

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

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 for his role as Chief Executive Officer in 2019 amounted to €9,543.

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

Directors' fees (previously called attendance 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 attendance fees in respect of his term of office as a Director, if his appointment to the Board was approved by the General Meeting of May 23, 2019. Enrique MARTINEZ did not receive any compensation for his directorship for 2019.

No amount is payable for his directorship in 2019.

FOURTEENTH RESOLUTION

Approval of fixed, variable and exceptional components of total compensation and benefits of any kind paid or allocated for the past year to Jacques VEYRAT, Chairman of the Board of Directors

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the General Meeting approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated for the past year to Chairman of the Board of Directors Jacques VEYRAT for the performance of his duties, as presented in the explanatory statement.

FIFTEENTH RESOLUTION

Approval of fixed, variable and exceptional components of total compensation and benefits of any kind paid or allocated for the past year to Enrique MARTINEZ, Chief Executive Officer

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the General Meeting approves the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated for the past year to Chief Executive Officer Enrique MARTINEZ for the performance of his duties, as presented in the explanatory statement.

BUYBACK OF SHARES

Purpose of the Resolution 16

The authorization granted on May 23, 2019 by the General Meeting to the Board of Directors to trade in the shares of the Company will expire on November 22, 2020. In the **Sixteenth Resolution,** we ask you to renew, for a period of 18 months, the authorization of the Board of Directors to trade in the Company's shares at a maximum purchase price of €80 per share, subject to a ceiling of €212,124,576 after acquisition costs.

Acquisitions may be made for the following purposes:

- to stimulate the secondary market or liquidity for Fnac Darty shares via a liquidity agreement with an investment services provider in accordance with the practice permitted by the regulations, it being understood that the number of shares used to calculate the aforementioned limit is the number of shares bought minus the number of shares sold;
- to hold the purchased shares for future sale as exchange or payment under any external growth transactions;
- to cover stock purchase options and/or bonus share allocation (or similar) plans for the benefit of Group employees and/or corporate officers as well as allocations of shares in connection with a Company or Group savings plan (or similar), Company profit-sharing plan and/or any other form of share allocations to Group employees and/or corporate officers;
- to provide hedging for investment securities that establish the right to Company shares, as required by applicable regulations; or
- to cancel the purchased shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This program is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the French Markets Authority, the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Acquisitions, sales, trades and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

Unless authorized in advance by the General Meeting, the Board may not use this delegation for the remainder of the period of a public tender offer once a third-party tender offer has been filed for the Company's shares.

In accordance with the regulations, the Company may not hold, at any time, more than **10% of the shares** comprising its share capital. The number of shares acquired to be held and for subsequent surrender in a merger, de-merger or capital contribution may not exceed 5% of the share capital.

In accordance with the conditions required for the implementation of state-guaranteed loans, the Board of Directors has announced that it will not make any share buybacks in 2020, except as part of the current liquidity agreement.

Use of the share buyback program in 2019:

- Through a service provider acting under a liquidity agreement in accordance with the practice permitted by the regulations, 738,440 shares were acquired in 2019 for a total of €45,300,243.07, and 594,178 shares were sold in 2019 for a total of €37,778,511.04.

  Under this liquidity agreement, the following resources were in the liquidity account on December 31, 2019: 78,750 shares and €2,235,053.86.
- At its meeting of September 26, 2018, the Board of Directors resolved to authorize the buy-back of a maximum of 535,000 shares for the purpose of canceling them in order to mitigate the dilutive effects of the performance share plans or past stock option plans.

  As of December 31, 2019, 495,000 shares had been repurchased under this mandate at an average price of €63.31 (brokerage fees amounting to €31,338 were paid in this respect). These shares, representing around 2% of capital before cancellation, were canceled.

SIXTEENTH RESOLUTION

Authorization to the Board of Directors to instruct the Company to buy back its own shares under Article L. 225-209 of the French Commercial Code, duration of authorization, purposes, terms, ceiling, suspension during a public tender offer

The General Meeting, having reviewed the Report of the Board of Directors, authorizes the latter, for a period of 18 months and in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to buy, on one or more occasions and at such times as it considers appropriate, up to 10% of the number of shares comprising the Company's share capital, adjusted where necessary to take into account any capital increase or capital reduction transactions during the authorization period.

This authorization terminates the authorization granted to the Board of Directors by the Ordinary General Meeting of May 23, 2019 in its Twelfth Resolution.

Acquisitions may be made for the following purposes:

- to stimulate the secondary market or liquidity for Fnac Darty shares via a liquidity agreement with an investment services provider in accordance with the practice permitted by the regulations, it being understood that the number of shares used to calculate the aforementioned limit is the number of shares bought minus the number of shares sold;
- to hold the purchased shares for future sale as exchange or payment under any external growth transactions;
- to cover stock purchase options and/or bonus share allocation (or similar) plans for the benefit of Group employees and/or corporate officers as well as allocations of shares in connection with a Company or Group savings plan (or similar), Company profit-sharing plan and/or any other form of share allocations to Group employees and/or corporate officers;
- to provide hedging for investment securities that establish the right to Company shares, as required by applicable regulations; or
- to cancel the purchased shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This program is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the French Markets Authority, the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Acquisitions, sales, trades and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

Unless authorized in advance by the General Meeting, the Board may not use this delegation for the remainder of the period of a public tender offer once a third-party tender offer has been filed for the Company's shares.

The maximum purchase price is set at €80 per share. In the event of transactions affecting the share capital, specifically the splitting or consolidation of shares or the allotment of bonus shares to shareholders, the amount indicated above shall be adjusted in the same proportions (multiplied by the ratio of number of shares constituting the capital before the transaction and the number of shares constituting the share capital after the transaction).

The maximum nominal value of the transaction is set at €212,124,576.

The General Meeting grants all powers to the Board of Directors, with the right to sub-delegate, for the execution such transactions, to set their terms and conditions, to enter into any agreements and to complete all formalities.

For the Extraordinary General Meeting

AMENDMENT OF THE BYLAWS CONCERNING THE THRESHOLD TRIGGERING THE OBLIGATION TO APPOINT A SECOND DIRECTOR REPRESENTING EMPLOYEES TO THE BOARD OF DIRECTORS

- **Purpose of the Resolution 17**

In the Seventeenth Resolution, we propose that you amend Article 12 of the bylaws in order to change the threshold triggering the obligation to appoint a second Director representing employees to the Board, which was reduced from twelve to eight members of the Board of Directors by law no. 2019-486 of May 22, 2019.

SEVENTEENTH RESOLUTION

Amendment of Article 12 of the bylaws concerning the threshold triggering the obligation to appoint a second Director representing employees to the Board of Directors

The General Meeting, on the proposal of the Board of Directors, resolved:

- to amend Article 12 of the bylaws regarding the threshold triggering the obligation to appoint a second Director representing employees on the Board of Directors, which was reduced from twelve to eight members of the Board of Directors by law No. 2019-486 of May 22, 2019; and
- to amend the seventh and tenth paragraphs of Article 12 of the bylaws accordingly, leaving the rest of the Article unchanged, as follows:

"Article 12 – Management of the Company – Board of Directors.

[…]

*In the event that the number of Directors appointed by the General Meeting exceeds **eight** members, a second Director representing the employees shall be appointed in accordance with the provisions below, within a period of six months following the appointment of the new Director.*

[…]

The reduction of the number of Directors appointed by the General Meeting to eight or fewer than eight shall have no effect on the length of the terms of office of any of the representatives of the employees on the Board, which shall expire at the end of their normal terms."

AUTHORIZATION TO THE BOARD OF DIRECTORS TO CANCEL SHARES BOUGHT BY THE COMPANY UNDER ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE

- **Purpose of the Resolution 18**

In connection with the authorization granted to the Board of Directors in the Sixteenth Resolution to trade in Company shares, you are also asked to renew the authorization to the Board, which expires on July 22, 2021, to reduce the share capital on one or more occasions by canceling any amount of treasury shares which it may decide within the limits authorized by law.

On the date of each cancellation, the maximum number of shares canceled by the Company during the 24-month period preceding such cancellation, including the shares subject to such cancellation, may not exceed 10% of the shares comprising the Company's share capital on that date, it being understood that this limit applies to any capital adjusted to take into account transactions affecting the share capital after this General Meeting.

This authorization will be granted for a period of 26 months from the date of this General Meeting.

EIGHTEENTH RESOLUTION

Authorization to the Board of Directors to cancel shares bought by the Company under Article L. 225-209 of the French Commercial Code, duration of authorization, ceiling

The General Meeting, having taken note of the Report of the Board of Directors and the Special Auditors' Report, authorizes the Board of Directors, on one or more occasions, in such proportions and at such times as it may decide within the limits authorized by law, to reduce the share capital in accordance with the provisions of Articles L. 225-209 et seq. and L. 225-213 of the French Commercial Code.

The maximum number of shares that may be canceled by the Company by virtue of this authorization, over a 24-month period, is 10% of the shares comprising the Company's share capital on the date of the decision to cancel, it being understood that this limit applies to an amount of the Company's share capital which will, if necessary, be adjusted to take into account the transactions affecting the share capital after this General Meeting. This authorization is granted for a period of 26 months counting from today.

The General Meeting grants all powers to the Board of Directors, with the right to sub-delegate, to carry out the cancellation of or reduction in the share capital as may be permitted by this authorization, to set the methods and declare the completion, to impute the difference between the book value and par value of the canceled shares to any reserves or premiums, to make the corresponding amendments to the bylaws, and to complete all formalities.

AUTHORIZATION TO THE BOARD OF DIRECTORS TO ALLOT EXISTING BONUS SHARES AND/OR BONUS SHARES TO BE ISSUED TO EMPLOYEES OF THE COMPANY OR COMPANIES OR ECONOMIC INTEREST GROUPS ASSOCIATED FOR A PERIOD OF FOUR MONTHS; WAIVER BY SHAREHOLDERS OF THEIR PREEMPTIVE SUBSCRIPTION RIGHTS

- Purpose of the Resolution 19

In the Nineteenth Resolution, you are asked to authorize the Board of Directors for a period of **four months** to proceed with the allotment of existing ordinary shares and/or shares soon to be issued to employees, specifically excluding corporate officers, of the Company or companies or economic interest groups that are directly or indirectly associated with it within the meaning of Article L. 225-197-2 of the French Commercial Code.

The total number of bonus shares allotted pursuant to this authorization may not exceed 1% of the share capital on the date of the allotment decision. Added to this amount, where applicable, will be the nominal amount of the capital increase required to preserve the rights of the beneficiaries of bonus share allotments in the event of transactions involving the Company's capital during the vesting period.

The shares allotted to beneficiaries would vest after a vesting period that will be set by the Board of Directors, which may not be less than one year. By way of exception, the final allotment would occur before the end of the vesting period in the event of disability of the beneficiary in line with the classification in categories 2 and 3 set out in Article L. 341-4 of the French Social Security Code.

Beneficiaries should, where appropriate, retain these shares for a period of time specified by the Board of Directors, and at least for a period necessary to ensure that the cumulative duration of the vesting periods and, where applicable, the retention periods is no less than two years.

This authorization would thus allow the Board, within the limits of the above-mentioned ceiling and for a short period due to the specific circumstances concerning COVID-19, to allot bonus shares to a larger number of employees and Group executives, specifically excluding corporate officers, without these allotted shares being considered exceptional compensation for the beneficiaries. This is in line with the Group's interest for this specific period to preserve its cash for cash-based compensation systems, and to further align the interests of the beneficiaries and those of the shareholders.

We ask you to grant all powers to the Board of Directors in order to:

- set the conditions and, where applicable, the allotment criteria of the shares;
- determine the identity of the beneficiaries as well as the number of shares allotted to each of them;
- where applicable:
  - note the existence of sufficient reserves and for each allotment, transfer to an unavailable reserve account those sums required to pay up the new shares to be allotted,
  - decide, at the appropriate time, on the capital increase(s) by incorporation of reserves, premiums or profits pertaining to the issue of the new bonus shares allotted,
  - purchase the necessary shares in connection with the share buyback program and allot them to the allotment plan,
  - determine the impact on beneficiaries' rights of the transactions affecting capital or likely to affect the value of the shares allotted and realized during the vesting period and, consequently change or adjust, where appropriate, the number of shares allotted to maintain the rights of the beneficiaries,
  - do everything necessary to ensure that beneficiaries comply with lock-in provisions, where applicable, and
  - more generally, in connection with the applicable legislation, do all that is or will become necessary pursuant to the implementation of this authorization.

The authorization would automatically imply the waiver by shareholders of their preemptive subscription rights to new shares issued by incorporation of reserves, premiums and profits.

As indicated above, it would be given for a period of **four months** from the date of this meeting until **September 27, 2020**, and would render any prior authorization for the same purpose invalid up to the amount of the unused portion, where applicable. It would be **conditionally authorized subject to the vote of the following resolution concerning the renewal of the authorization granted by the Combined General Meeting of May 23, 2019 (Twenty-Third Resolution), which will take effect at the end of this authorization, so that the current system shall be renewed under the same conditions at the end of the specific circumstances concerning COVID-19.**

NINETEENTH RESOLUTION

Authorization to the Board of Directors to allot existing bonus shares and/or bonus shares to be issued to employees of the Company or companies or economic interest groups associated for a period of four months; waiver by shareholders of their preemptive subscription rights, ceiling, duration of the vesting period, particularly in the event of disability

The General Meeting, having reviewed the Report of the Board of Directors and the Special Auditors' Report **and subject to the vote on the following resolution,** conditionally authorizes the Board of Directors to proceed, on one or more occasions, in accordance with Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, with the allotment of existing or soon to be issued ordinary shares to employees of the Company or companies or economic interest groups that are directly or indirectly associated with it within the meaning of Article L. 225-197-2 of the French Commercial Code.

The total number of bonus shares granted pursuant to this authorization may not exceed 1% of the share capital on the date of the allotment decision. Added to this amount, where applicable, will be the nominal amount of the capital increase required to preserve the rights of the beneficiaries of bonus share allotments in the event of transactions involving the Company's capital during the vesting period.

The shares allotted to beneficiaries will vest after a vesting period that will be set by the Board of Directors, which may not be less than one year.

The beneficiaries must, where appropriate, retain these shares for a period of time specified by the Board of Directors, and at least for a period necessary to ensure that the cumulative duration of the vesting periods and, where applicable, the retention periods is no less than two years.

By way of exception, the final allotment will occur before the end of the vesting period in the event of disability of the beneficiary in line with the classification in categories 2 and 3 set out in Article L. 341-4 of the French Social Security Code.

All powers are granted to the Board of Directors in order to:

- set the conditions and, where applicable, the allotment criteria of the shares;
- determine the identity of the beneficiaries as well as the number of shares allotted to each of them;
- where applicable:
  - note the existence of sufficient reserves and for each allotment, transfer to an unavailable reserve account those sums required to pay up the new shares to be allotted,
  - decide, at the appropriate time, on the capital increase(s) by incorporation of reserves, premiums or profits pertaining to the issue of the new bonus shares allotted,
  - purchase the necessary shares in connection with the share buyback program and allot them to the allotment plan,
  - determine the impact on beneficiaries' rights of the transactions affecting capital or likely to affect the value of the shares allotted and realized during the vesting period and, consequently change or adjust, where appropriate, the number of shares allotted to maintain the rights of the beneficiaries,
  - do everything necessary to ensure that beneficiaries comply with lock-in provisions, where applicable, and
  - more generally, in connection with the applicable legislation, do all that is or will become necessary pursuant to the implementation of this authorization.

This authorization automatically implies the waiver by shareholders of their preemptive subscription rights to new shares issued by incorporation of reserves, premiums and profits.

It is given for a period of **four months** from the date of this meeting and is valid until **September 27, 2020**.

It renders any prior authorization for the same purpose invalid up to the amount of the unused portion, where applicable.

AUTHORIZATION TO THE BOARD OF DIRECTORS TO ALLOT EXISTING BONUS SHARES AND/OR BONUS SHARES TO BE ISSUED TO EMPLOYEES AND/OR CERTAIN CORPORATE OFFICERS OF THE COMPANY OR COMPANIES OR ECONOMIC INTEREST GROUPS ASSOCIATED WITH EFFECT FROM THE EXPIRY OF THE PRECEDING AUTHORIZATION; WAIVER BY SHAREHOLDERS OF THEIR PREEMPTIVE SUBSCRIPTION RIGHTS

Purpose of the Resolution 20

In the Twentieth Resolution, you are asked to renew the authorization granted by the Combined General Meeting of May 23, 2019 (Twenty-Third Resolution) given to the Board of Directors under the same conditions concerning the allotment of bonus shares to employees and corporate officers, which would be rendered invalid if the previous resolution is adopted. This authorization would therefore be renewed under the same conditions and in accordance with the same terms as that granted by the given authorization, but would only take effect at the end of the authorization period granted by the previous resolution.

We ask you to authorize the Board of Directors to proceed, on one or more occasions, in accordance with Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, with the allotment of existing and soon to be issued ordinary shares of the Company to:

- employees of the Company or companies or economic interest groups that are directly or indirectly associated with it within the meaning of Article L. 225-197-2 of the French Commercial Code; and/or
- corporate officers that meet the conditions set by Article L. 225-197-1 of the French Commercial Code.

The total number of bonus shares allotted pursuant to this authorization may not exceed 5% of the share capital on the date of the allotment decision. Added to this amount, where applicable, would be the nominal amount of the capital increase required to preserve the rights of the beneficiaries of bonus share allocations in the event of transactions involving the Company's capital during the vesting period. It is noted that deducted from this ceiling would be the total number of shares that may give entitlement to options that may be granted by the Board of Directors in respect of the authorization granted by the Twenty-Second Resolution of the Combined General Meeting of May 23, 2019, and that the nominal amount of capital increases likely to be exercised pursuant to this authorization will be deducted from the overall ceiling scheduled in the Fifteenth Resolution of the Combined General Meeting of May 23, 2019.

The total number of bonus shares that may be allotted to the executive corporate officers of the Company may not exceed 1% of the capital in the budget common to this authorization and that of the Twenty-Second Resolution of the Combined General Meeting of May 23, 2019.

Your Board would set a vesting period, at the end of which the shares would be vested to the beneficiaries. This period may not be less than three years and may also include or not include a retention obligation at the end of the vesting period.

By way of exception, the final allotment would occur before the end of the vesting period in the event of disability of the beneficiary in line with the classification in categories 2 and 3 set out in Article L. 341-4 of the French Social Security Code.

Unless an exception is made, allotment of shares will be subject, upon the decision of the Board of Directors, to the achievement of one or several performance conditions, with, as a minimum, one performance condition that will be linked to the fluctuations in the Company's share price.

We ask you to grant all powers to the Board of Directors in order to:

- set the conditions and, where applicable, the allotment criteria and performance conditions of the shares;
- determine the identity of the beneficiaries as well as the number of shares allotted to each of them;
- where applicable:
  - note the existence of sufficient reserves and for each allotment, transfer to an unavailable reserve account those sums required to pay up the new shares to be allotted,
  - decide, at the appropriate time, on the capital increase(s) by incorporation of reserves, premiums or profits pertaining to the issue of the new bonus shares allotted,
  - purchase the necessary shares in connection with the share buyback program and allot them to the allotment plan,
  - determine the impact on beneficiaries' rights of the transactions affecting capital or likely to affect the value of the shares allotted and realized during the vesting period and, consequently change or adjust, where appropriate, the number of shares allotted to maintain the rights of the beneficiaries,
  - decide whether or not to impose a retention obligation at the end of the vesting period and if so, determine the duration thereof, taking all measures necessary to ensure that it is respected by the beneficiaries, and
  - more generally, in connection with the applicable legislation, do all that is or will become necessary pursuant to the implementation of this authorization.

This authorization would automatically imply the waiver by shareholders of their preemptive subscription rights to new shares issued by incorporation of reserves, premiums and profits.

This authorization shall take effect at the end of the period for the preceding resolution, i.e. from September 28, 2020 until July 27, 2023. It should be noted that the authorization granted by the preceding resolution would be in effect until September 27, 2020.

TWENTIETH RESOLUTION

Authorization to the Board of Directors to allot existing bonus shares and/or bonus shares to be issued to employees and/or certain corporate officers of the Company or companies or economic interest groups associated with effect from the expiry of the preceding authorization; waiver by shareholders of their preemptive subscription rights, duration of the authorization, ceiling, duration of the vesting period, particularly in the event of disability

The General Meeting, having reviewed the Board of Directors' Report and the Special Auditors' Report, authorizes the Board of Directors to proceed, on one or more occasions, in accordance with Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, with the allotment of ordinary shares of the Company, whether existing or to be issued, in favor of:

- employees of the Company or companies or economic interest groups that are directly or indirectly associated with it within the meaning of Article L. 225-197-2 of the French Commercial Code; and/or
- corporate officers that meet the conditions set by Article L. 225-197-1 of the French Commercial Code.

The total number of bonus shares granted pursuant to this authorization may not exceed 5% of the share capital on the date of the allotment decision. Added to this amount, where applicable, will be the nominal amount of the capital increase required to preserve the rights of the beneficiaries of bonus share allotments in the event of transactions involving the Company's capital during the vesting period. It is noted that deducted from this ceiling will be the total number of shares that may give entitlement to options that may be granted by the Board of Directors in respect of the authorization granted by the Twenty-Second Resolution of the Combined General Meeting of May 23, 2019, and that the nominal amount of capital increases likely to be exercised pursuant to this authorization will be deducted from the overall ceiling scheduled in the Fifteenth Resolution of the Combined General Meeting of May 23, 2019. The total number of bonus shares that may be allotted to the executive corporate officers of the Company may not exceed 1% of the capital in the budget common to this authorization and that of the Twenty-Second Resolution of the Combined General Meeting of May 23, 2019.

The shares allotted to beneficiaries will vest after a vesting period that will be set by the Board of Directors, which may not be less than three years. The General Meeting authorizes the Board of Directors to decide whether or not to impose a retention obligation at the end of the vesting period.

By way of exception, the final allotment will occur before the end of the vesting period in the event of disability of the beneficiary in line with the classification in categories 2 and 3 set out in Article L. 341-4 of the French Social Security Code.

Unless an exception is made, allotment of shares will be subject, upon the decision of the Board of Directors, to the achievement of one or several performance conditions, with, as a minimum, one performance condition that will be linked to the fluctuations in the Company's share price.

All powers are granted to the Board of Directors in order to:

- set the conditions and, where applicable, the allotment criteria and performance conditions of the shares;
- determine the identity of the beneficiaries as well as the number of shares allotted to each of them;
- where applicable:
  - note the existence of sufficient reserves and for each allotment, transfer to an unavailable reserve account those sums required to pay up the new shares to be allotted,
  - decide, at the appropriate time, on the capital increase(s) by incorporation of reserves, premiums or profits pertaining to the issue of the new bonus shares allotted,
  - purchase the necessary shares in connection with the share buyback program and allot them to the allotment plan,
  - determine the impact on beneficiaries' rights of the transactions affecting capital or likely to affect the value of the shares allotted and realized during the vesting period and, consequently change or adjust, where appropriate, the number of shares allotted to maintain the rights of the beneficiaries,
  - decide whether or not to impose a retention obligation at the end of the vesting period and if so, determine the duration thereof, taking all measures necessary to ensure that it is respected by the beneficiaries, and
  - more generally, in connection with the applicable legislation, do all that is or will become necessary pursuant to the implementation of this authorization.

This authorization automatically implies the waiver by shareholders of their preemptive subscription rights to new shares issued by incorporation of reserves, premiums and profits.

It shall take effect at the end of the period for the preceding resolution, i.e. from September 28, 2020, until July 27, 2023. It is noted that the authorization granted by the preceding resolution shall be in effect until September 27, 2020.

AMENDMENT OF THE BYLAWS TO PROVIDE FOR WRITTEN CONSULTATION OF THE DIRECTORS

- **Purpose of the Resolution 21**

In the Twenty-First Resolution, we propose that you amend Article 15 of the bylaws to provide for the possibility for the members of the Board of Directors to take the decisions falling within their own remits, which are limited to those listed by the regulations, by way of written consultation, in accordance with the option provided for in Article L. 225-37 of the French Commercial Code, as amended by law No. 2019-744 of July 19, 2019.

In view of the current regulations, this option may be implemented for the following decisions:

- co-opting of members;
- authorizations of guarantees, pledges and endorsements;
- on the authority granted by the Extraordinary General Meeting, compliance of the bylaws with the legislative and regulatory provisions;
- convening of the General Meeting of shareholders; and
- transfer of the registered office within the same administrative region ("département").

TWENTY-FIRST RESOLUTION

Amendment of Article 15 of the bylaws to provide for the written consultation of the Directors

The General Meeting, having reviewed the Report of the Board of Directors and in accordance with the option provided for in Article L. 225-37 of the French Commercial Code as amended by law no. 2019-744 of July 19, 2019, resolves to provide for the possibility for the members of the Board of Directors to take the decisions falling within their own remits, which are limited to those listed by the regulations, by way of written consultation, and accordingly modifies Article 15 of the bylaws as follows:

The following paragraph is inserted after section 15.2, with sections 3 to 6 of Article 15 renumbered accordingly (sections 4 to 7):

"Article 15 – Deliberations of the Board of Directors – Minutes of meetings.

[…]

3. The Board of Directors may also take decisions by means of written consultation of the Directors under the conditions stipulated by law."

HARMONIZATION OF THE BYLAWS

- **Purpose of the Resolution 22**

In the Twenty-Second Resolution, we propose that you amend the bylaws in order to harmonize them with the applicable legislative provisions:

- 1) Regarding the compensation allocated to the Directors:

  You are asked to harmonize Article 19 of the bylaws with the provisions of Articles L. 225-45 and L. 225-46 of the French Commercial Code, as amended by law No. 2019-486 of May 22, 2019, which removed the concept of attendance fees, and decree No. 2019-1234 of November 27, 2019, which established a legal framework for the compensation of the executive officers of companies listed on a regulated market.

  It is therefore proposed that the reference to attendance fees be replaced with a reference to the compensation of Directors, and that a specification that this compensation is distributed among the Directors under the conditions set out in the applicable regulations be included.

- 2) Regarding the textual reference to the signing of electronic forms:

  You are asked to harmonize Article 22 of the bylaws with the provisions of decree No. 2016-131 of February 10, 2016 on the reform of contract law, the general framework and the proof of obligations having resulted in the recodification of the provisions of the French Civil Code relating to electronic signatures, and accordingly to replace the reference to Article 1316-4 of the French Civil Code with a reference to Article 1367 of the French Civil Code.

TWENTY-SECOND RESOLUTION

Harmonization of the bylaws

The General Meeting, having reviewed the Report of the Board of Directors, resolves:

1) regarding the compensation allocated to the Directors:

- to harmonize Article 19 of the bylaws with the provisions of Articles L. 225-45 and L. 225-46 of the French Commercial Code, as amended by:
  - law No. 2019-486 of May 22, 2019, which removed the concept of attendance fees,
  - decree No. 2019-1234 of November 27, 2019, which established a legal framework for the compensation of the executive officers of companies listed on a regulated market, and
- to amend the first and second paragraphs of Article 19 of the bylaws accordingly, leaving the rest of the Article unchanged, as follows:

  "Article 19 – Compensation of the Directors, the Chairman, the Chief Executive Officer, the Chief Operating Officers and the representatives of the Board of Directors.

  1. The General Meeting of shareholders may allocate an annual fixed sum to Directors as ***compensation****, which is distributed among them as determined by the Board of Directors,* ***under the conditions provided for in the applicable regulations****.*

  2. The Board of Directors may allocate exceptional compensation for assignments or mandates entrusted to Directors or advisory members ***under the conditions provided for in the applicable regulations****. It may authorize the reimbursement of the costs and expenses incurred by the Directors or advisory members in the interest of the Company."*

2) regarding the textual reference to the signing of electronic forms:

- to harmonize Article 22 of the bylaws with the provisions of decree no. 2016-131 of February 10, 2016 on the reform of contract law, the general framework and the proof of obligations having resulted in the recodification of the provisions of the French Civil Code relating to electronic signatures,
- to amend the first sentence of the sixth paragraph of Article 22 of the bylaws accordingly, leaving the rest of the Article unchanged, as follows:

  "Article 22 – Shareholders' meetings.

  […] By prior decision of the Board of Directors, electronic forms may be completed and signed using a reliable identification process that meets the conditions stated in the first sentence of the second paragraph of Article ***1367*** *of the French Civil Code, which may consist of a username and password, or any other means consistent with applicable regulations."*

TEXTUAL REFERENCES APPLICABLE IN THE EVENT OF A CHANGE OF CODIFICATION

- **Purpose of the Resolution 23**

In the Twenty-third Resolution, we ask you to take note that the textual references mentioned in all the resolutions of this meeting refer to the legal and regulatory provisions applicable on the day of their establishment, and that in the event of an amendment to their codification under the authorization conferred by law No. 2019-486 of May 22, 2019 upon the government to decree any measure aimed at grouping the provisions specific to listed companies within a specific section of the French Commercial Code, they would be replaced by the textual references corresponding to the new codification.

TWENTY-THIRD RESOLUTION

Textual references applicable in the event of a change of codification

The General Meeting takes note that the textual references mentioned in all the resolutions of this meeting refer to the legal and regulatory provisions applicable on the day of their establishment, and that in the event of an amendment to their codification under the authorization conferred by law No. 2019-486 of May 22, 2019 upon the government to decree any measure aimed at grouping the provisions specific to listed companies within a specific section of the French Commercial Code, they would be replaced by the textual references corresponding to the new codification.

POWERS FOR FORMALITIES

- **Purpose of the Resolution 24**

This Resolution grants the bearer of an original, extract or copy of the minutes of this General Meeting full powers to make or complete any necessary filings or formalities, including digitally with an electronic signature, in accordance with applicable laws.

TWENTY-FOURTH RESOLUTION

Powers for formalities

The General Meeting grants all powers to the bearer of an original, copy or extract of these minutes to fulfill all the formalities of filing and publicity required by law.

STATUTORY AUDITORS' REPORTS AND INDEPENDENT THIRD PARTY'S REPORT

AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended December 31, 2019

To the Fnac Darty General Meeting,

Opinion

In execution of the mission assigned to us by the General Meetings, we have audited the Fnac Darty annual financial statements for the year ended December 31, 2019, as attached to this report.

We hereby certify that the annual financial statements present a true and fair view of the results of the operations for the past year and of the financial position and net assets of the Company at year-end in accordance with French accounting rules and principles.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our responsibilities under these standards are set forth in the section "Responsibilities of the Auditor for auditing the annual financial statements" contained in this report.

Independence

We conducted our audit in compliance with the applicable rules on independence over the period from January 1, 2019 to the date we issued our report, and specifically we provided no services prohibited by Article 5, Section 1 of Regulation (EU) 537/2014 or by the Code of Ethics of the auditing profession.

Justification of the assessments – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we are hereby informing you of the key points of the audit relating to material risks of anomalies which, in our professional judgment, were the most important for the audit of the annual financial statements, and our responses to these risks.

The assessments made are part of our process of auditing the annual financial statements as a whole and thus contributed to our opinion as expressed above. We are expressing no opinion on elements of these annual financial statements taken in isolation.

Valuation of equity investments

(Notes 2.1 "Non-current financial assets", 3 "Net non-current financial assets" and 18 "Table of subsidiaries and shareholdings" in the Notes to the annual financial statements)

Risk identified	Audit response provided
As of December 31, 2019, equity investments are recorded on the balance sheet at a net book value of €1,955.2 million, or 83.23% of total assets, including Fnac Darty Participations et Services securities for €838.4 million and Darty Limited securities for €1,116.8 million. On the entry date, they are recognized at acquisition cost, including related costs and fees. At period-end, the gross value of equity investments is compared to their value-in-use. The value-in-use of the equity investments of Fnac Darty Participations et Services and Darty Limited is determined on the basis of observation of Fnac Darty's market capitalization over a given period, weighted by the consensus target price agreed by analysts. This valuation takes the Company's debt into account. By applying economic criteria, this value-in-use can be allocated between the two subsidiaries. When this value is lower than the acquisition cost of the securities, an impairment is recorded for the amount of this difference. Estimating the value-in-use of equity investments requires a substantial amount of judgment on the part of management, in particular to determine and allocate this value-in-use between the two subsidiaries. In view of the weight of equity investments on the balance sheet and in the valuation model used, we considered accurate appraisal of the equity investments to be a key point of our audit.	In order to assess the reasonableness of the estimated value-in-use of the equity investments and their allocation between the subsidiaries of Fnac Darty Participations et Services and Darty Limited, based on the information provided to us, our work consisted primarily of: ■ verifying that the estimate of the value-in-use determined by management is based on an appropriate justification of the valuation method and the data used; ■ recalculating this value-in-use by our valuation experts; ■ verifying the consistency and arithmetical control of how the chosen allocation criteria were distributed between the equity investments of the subsidiaries of Fnac Darty Participations et Services and Darty Limited.

Specific verifications

Consistently with professional standards applicable in France, we also performed the specific verifications required by the legal and regulatory requirements.

Information provided in the Management Report and other documents on financial position and the annual financial statements sent to shareholders

We have no observations to make as to the fair presentation and consistency with the annual financial statements of the information provided in the Board of Directors' Management Report, the documents on the financial position, and the annual financial statements sent to shareholders.

We certify the fairness and consistency with the financial statements of the information regarding the payment periods outlined in Article D. 441-4 of the French Commercial Code.

Information on corporate governance

We certify the existence of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code in the section of the Board of Directors' Management Report on corporate governance.

As regards the information provided pursuant to Article L. 225-37-3 of the French Commercial Code on compensation and benefits paid or awarded to corporate officers and the commitments made to them, we have verified that it is consistent with the financial statements or with the data used to prepare these statements and, as applicable, with the evidence gathered by your Company from companies controlled by your Company that are within the scope of consolidation. On the basis of this work, we certify the accuracy and fairness of this information.

With respect to information on the items which your Company believes could have an impact in the event of a public tender or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we verified its consistency with the documents from which the information was drawn and which were provided to us. On the basis of this work, we have no comment to make about this information.

Other information

As required by law, we have made certain that various information on the acquisition of interests and control and the identity of shareholders and voting rights has been provided to you in the Management Report.

Information arising out of other legal and regulatory requirements

Appointment of the Auditors

Deloitte & Associés was appointed auditor of Fnac Darty by the General Meeting of June 22, 1993, and KPMG Audit, a division of KPMG S.A., was appointed at the General Meeting of April 17, 2013.

As of December 31, 2019, the two firms were in the seventh year of their appointment since the Company's shares were admitted to trading on a regulated market. Deloitte & Associés is in the twenty-seventh year of its appointment without interruption, and KPMG S.A. in its seventh year.

Responsibilities of management and the individuals comprising corporate governance for the annual financial statements

It is the responsibility of management to prepare annual financial statements that present a fair image, in accordance with French accounting rules and principles, and to implement the internal controls it believes necessary for the preparation of annual financial statements containing no material anomalies, whether as a result of fraud or error.

During preparation of the annual financial statements, it is management's responsibility to assess the Company's ability to continue operations, to present in these statements any information concerning operating as a going concern, and to apply the going concern accounting principle, unless it is planned to liquidate the Company or cease operations.

It is the responsibility of the Audit Committee to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems and, if applicable, the internal audit system, with regard to the procedures for preparing and processing the accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

Responsibilities of the Auditor for auditing the annual financial statements

Audit purpose and approach

It is our responsibility to prepare a report on the annual financial statements. Our goal is to obtain reasonable assurance that the annual financial statements, considered in their entirety, contain no material anomalies. Reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material anomaly. Anomalies may result from fraud or error and are considered material when one can reasonably expect that, individually or together, they could influence the economic decisions made by users of the financial statements based on those statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of your Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. Moreover:

- the auditor identifies and measures the risks that the annual financial statements contain material anomalies, whether as a result of fraud or error, defines and implements audit procedures in light of these risks, and collects information deemed sufficient and appropriate on which to base an opinion. The risk of failure to detect a material anomaly resulting from fraud is greater than the risk of failure to detect a material anomaly resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or bypassing of internal controls;

- the auditor reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not in order to express an opinion on the effectiveness of the internal controls;
- the auditor assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as information on these elements provided in the annual financial statements;
- the auditor assesses the appropriateness of management's application of the going concern accounting convention and, based on information collected, the existence or absence of material uncertainty related to events or circumstances that could call into question the Company's ability to continue operations. This assessment is based on information collected up to the date of the auditor's report; it is, however, noted that subsequent circumstances or events could call into question the Company operating as a going concern. If the auditor concludes that a material uncertainty exists, he calls the attention of readers of the audit report to information provided in the annual financial statements concerning this uncertainty or, if this information is not provided or is not pertinent, the auditor certifies with reservations or refuses to certify the financial statements;
- the auditor assesses the overall presentation of the annual financial statements and evaluates whether they reflect and provide a fair picture of the underlying transactions and events.

Report to the Audit Committee

We are submitting a report to the Audit Committee specifically describing the scope of the audit work and the work conducted, as well as the conclusions arising from our work. We are also informing the Committee of any significant weaknesses in the internal controls we have identified in the procedures for preparing and processing the accounting and financial information.

The elements communicated in the report to the Audit Committee include the risks of material anomalies which we believe were the most important for the audit of the annual financial statements and which therefore constitute the key points of the audit which it is our responsibility to describe in this report.

We are also providing the Audit Committee with the declaration stipulated by Article 6 of Regulation (EU) 537/2014 confirming our independence, under the rules applicable in France specifically as established by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for the auditing profession. As necessary, we discuss with the Audit Committee any risks impacting our independence and the safeguards taken.

Paris La Défense, March 13, 2020

Statutory Auditors

Deloitte & Associés	**KPMG Audit**
	A department of KPMG S.A.
Stéphane Rimbeuf	Éric Ropert
Partner	*Partner*

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2019

To the Fnac Darty General Meeting,

Opinion

In execution of the mission assigned to us by the General Meetings, we have audited the Fnac Darty consolidated financial statements for the year ended December 31, 2019, as attached to this report.

We hereby certify that the consolidated financial statements present a true and fair view of the results of the operations for the past year and of the financial position and net assets at period-end of the group formed by the persons and entities included in the consolidation in accordance with IFRS guidelines as adopted in the European Union.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis of the opinion

Audit standards

We conducted our audit in accordance with professional standards applicable in France. We believe the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our responsibilities under these standards are set forth in the section "Responsibilities of the Auditor for auditing the consolidated financial statements" contained in this report.

Independence

We conducted our audit in compliance with the applicable rules on independence over the period from January 1, 2019 to the date we issued our report, and specifically we provided no services prohibited by Article 5, Section 1 of Regulation (EU) 537/2014 or by the Code of Ethics of the auditing profession.

Observation

In due respect of the opinion expressed above, we wish to draw your attention to note 2.2.2 "Standards, amendments and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2019" of the Notes to the consolidated financial statements, which sets out the procedures used and the implications of the first application of IFRS 16 "Leases" as of January 1, 2019.

Justification of the assessments – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we are hereby informing you of the key points of the audit relating to material risks of anomalies which, in our professional judgment, were the most important for the audit of the consolidated financial statements for the year, and our responses to these risks.

The assessments made are part of our process of auditing the consolidated financial statements as a whole and thus contributed to our opinion as expressed above. We are expressing no opinion on elements of these consolidated financial statements taken in isolation.

Valuation and recognition of discounts and commercial cooperation received and to be received from suppliers

(Notes 2.3.2 and 2.19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
Within the Group, there is a large number of purchasing contracts and agreements with suppliers that stipulate: ■ commercial discounts given to the Group based on quantities purchased or other contractual conditions, such as reaching thresholds or growth in purchasing volumes ("discounts"); ■ amounts paid to the Group in respect of services rendered to suppliers ("commercial cooperation"). Discounts and commercial cooperation received and to be received by the Group from its suppliers are valued on the basis of contracts signed with suppliers. These are recognized as a reduction in the cost of sales. Given the large number of contracts and the features specific to each supplier, the correct valuation and recognition of discounts and commercial cooperation to be received with respect to contractual provisions and annual purchasing volumes constitute a key point of the audit.	We were informed of the internal control process and key controls established by the Group concerning the process to value and recognize discounts and commercial cooperation, and tested their effectiveness on a sampling of contracts. Our other work, involving surveys, consisted of: ■ reconciling the commercial terms used in the calculation of discounts and commercial cooperation with the conditions stipulated in the purchasing contracts and agreements with suppliers; ■ comparing the estimates made of discount and commercial cooperation amounts for the previous year with the corresponding actual data in order to assess the reliability of the estimation process; ■ corroborating the volumes of business chosen with the volumes of business recorded in the Group's purchasing information systems to calculate the expected amount of discounts; ■ obtaining evidence of the completion of the services rendered as of December 31, 2019; ■ obtaining evidence of payment for amounts already collected as of December 31, 2019.

Valuation of the Darty and Vanden Borre brands

(Notes 2.3.2, 2.7, 2.10, 16 and 19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
The Darty and Vanden Borre brands are recognized for a net amount of €301.7 million and €35.3 million, respectively. They were valued using the relief from royalty method (for royalties received from franchisees for use of the brand) by an independent expert, for the purpose of allocating the Darty purchase price in 2016. During each fiscal year, when events or circumstances indicate that impairment is likely to occur, management ensures that the net book value of these brands is not greater than their recoverable value. The recoverable value of the brands is their fair value minus exit costs or their value-in-use, whichever is higher. The recoverable value of the brands was determined on the basis of their value-in-use, which is calculated by discounting the royalty savings generated by and received from the franchisees for the use of the brand (net of maintenance costs and taxes). Royalty savings projections were made in the second half of the year, for a three-year period, based on budgets and medium-term plans. To calculate recoverable value, a terminal value equal to capitalization in perpetuity of a normative saving is added to the value of the expected future savings. In this context, we considered the measurement of the recoverable value and specifically the calculation of the recoverable value of the Darty and Vanden Borre brands to be a key point of the audit because of their particularly material amount on the balance sheet assets as of December 31, 2019, uncertainties related to the probability of achieving the budgets and medium-term plans used as the basis for projections of flows of future royalty savings used in the measurement of their recoverable value, and sensitivity to changes in the data and assumptions on which the estimates were based.	We were informed of the process implemented by management in order to determine the value-in-use of the Darty and Vanden Borre brands. Our work consisted of: ■ assessing the relevance of the principles and method for determining values-in-use in terms of market practices used to value brands; ■ assessing the consistency of the projected revenue growth rates with available outside analyses; ■ assessing the royalty rates applied to the brands in calculating value based on future revenues; ■ assessing the reasonable nature of the discount rates applied to the estimated royalty flows, specifically by verifying that the various parameters comprising the weighted average cost of capital for each brand approaches the rate of return expected by market participants for similar activities. We also assessed the appropriateness of the information presented in note 19 of the Notes to the consolidated financial statements.

Assessment of goodwill allocated to the France cash generating unit (CGU)

(Notes 2.3.2, 2.6, 2.10, 15 and 19 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
CGUs containing goodwill are subject to a systematic annual impairment test in the second half of the year and whenever events or circumstances indicate that a loss of value may occur. If the recoverable value of a CGU is lower than its net book value, an impairment is recognized. The recoverable value of a CGU is its fair value less exit costs or its value-in-use, whichever is higher. Value-in-use is determined in relation to projections of the expected future cash flows of a CGU, taking into account the time value and specific risks related to the CGU. Cash flow projections were made during the second half of the year, for a period of three years, based on budgets and medium-term plans. For the value-in-use calculation, a terminal value equal to capitalization in perpetuity of a normative annual cash flow is added to the value of expected future cash flows. As of December 31, 2019, the net book value of the goodwill allocated to the France CGU was €1,512.7 million. We considered the measurement of the recoverable value of the goodwill allocated to the France CGU to be a key point of the audit because of its weight in total assets as of December 31, 2019, uncertainties related to the probability of achieving the projected future cash flows used in the measurement of the value-in-use, and sensitivity to changes in the financial data and assumptions used.	We were informed of the process implemented by management to determine the recoverable value of the goodwill allocated to the France CGU. Our work consisted of: ■ verifying the items comprising the net asset value of the France CGU to which the goodwill is attached; ■ ensuring that the principles and methods for determining the recoverable value of the France CGU are consistent with IAS 36; ■ assessing the reasonableness of the cash flow projections for the France CGU in terms of management's assumptions and the economic environment in which the Group operates in France; ■ assessing the consistency of the growth rate used for projected flows for calculating the terminal value with information from available outside analyses; ■ assessing the reasonableness of the discount rate applied to the estimated cash flows by specifically verifying that the various parameters comprising the weighted average cost of capital of the France CGU approaches the rate of return expected by market participants for similar activities; ■ comparing the accounting estimates of cash flow projections from previous periods with the corresponding actual data in order to assess reliability. We also assessed the appropriateness of the information presented in notes 15 and 19 to the consolidated financial statements.

Appraisal of rights of use and lease liabilities recognized at the beginning of the financial year for the first application of IFRS 16 "Leases"

(Notes 2.2.2, 2.3.2, 2.8, 18 and 28.2 of the Notes to the consolidated financial statements)

Risk identified	Audit response provided
The Group has applied the new IFRS 16 standard on lease agreements since January 1, 2019. According to this standard, a contract is a lease agreement or contains a lease component if it grants the right to control the use of an identified asset for a certain period in exchange for payment. The lessee recognizes assets meeting this definition in the statement of consolidated financial position, with a right of use in assets and a lease liability for lease payments to be made in liabilities. The Group followed the so-called "modified retrospective" approach for its first application of the standard. Under this method, the 2018 financial statements were not restated and the impact of the first application was recognized in the statement of consolidated financial position consolidated as of January 1, 2019. The first application of IFRS 16 led to the recognition on January 1, 2019 of rights of use of €956.3 million and lease liabilities of €987.1 million. The Group determined the lease debt on the transition date by taking into account the residual lease term and the marginal borrowing rate for each agreement as of January 1, 2019. As stated in note 2.2 of the Notes to the financial statements, when the Group prepared its consolidated financial statements as of December 31, 2019, it did not apply the IFRS IC decision of December 16, 2019 on the determination of the lease term and the link between lease terms and the period of depreciation of non-removable leasehold improvements. This was because it had insufficient time to carry out the analyses that will allow the precise effects to be determined. The first application of IFRS 16 "Leases" is one of the key points of our audit because the impact estimates to be recognized on the transition date involve the application by management of material judgments and estimates in various areas. These include the determination of the duration of lease agreements and the discount rate to be used.	We have read the procedure and familiarized ourselves with the information systems and the key controls set up by the Group in relation to the process of collating and accounting for lease agreements, to assess whether the transition procedure can identify and list all the agreements that may include a lease component. We spot-tested the design and operational efficiency of the general IT and operational controls in place. Our work also consisted of: ■ corroborating, by sampling, the information used to calculate rights of use and lease obligations with the underlying contractual documents; ■ evaluating the relevance of the criteria and assumptions considered by the Group in determining the duration of the lease, based on a sample of contracts; ■ evaluating the reasonableness of the methodology used and the main assumptions made; we also ascertained, by sampling, that they were used correctly in calculating the rights of use and the lease liabilities; ■ recalculating the rights of use and the lease liabilities on all contracts, based on information extracted from the IT tool used by the Group. We also assessed the appropriateness of the information presented in notes 2.8, 18 and 28.2 to the consolidated financial statements.

Specific verifications

Consistently with professional standards applicable in France, we also performed the specific verifications required by the legal and regulatory requirements of information relating to the Group, provided in the Board of Directors' Management Report.

We have no observations to make on its fair presentation and its consistency with the consolidated financial statements.

We certify that the declaration on the consolidated non-financial performance provided for by Article L. 225-102-1 of the French Commercial Code is included in the information relating to the Group given in the Management Report, on the understanding that, pursuant to the provisions of Article L. 823-10 of the said Code, we have not verified the fairness or consistency of the information contained in this report with the consolidated financial statements, and that it must be the subject of a report by an independent third party.

Information arising out of other legal and regulatory requirements

Appointment of the Auditors

Deloitte & Associés was appointed auditor of Fnac Darty by the General Meeting of June 22, 1993, and KPMG Audit, a division of KPMG S.A., was appointed at the General Meeting of April 17, 2013.

As of December 31, 2019, the two firms were in the seventh year of their appointment since the Company's shares were admitted to trading on a regulated market. Deloitte & Associés is in the twenty-seventh year of its appointment without interruption, and KPMG S.A. in its seventh year.

Responsibilities of management and the individuals comprising corporate governance for the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a fair image, in accordance with IFRS guidelines as adopted in the European Union, and to implement the internal controls it believes necessary for the preparation of consolidated financial statements containing no material anomalies, whether as a result of fraud or error.

During preparation of the consolidated financial statements, it is management's responsibility to assess the Company's ability to continue operations, to present in these statements any information concerning operating as a going concern, and to apply the going concern accounting principle, unless it is planned to liquidate the Company or cease operations.

It is the responsibility of the Audit Committee to monitor the process of preparing the financial information and to monitor the effectiveness of the internal control and risk management systems and, if applicable, the internal audit system, with regard to the procedures for preparing and processing the accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Auditor for auditing the consolidated financial statements

Audit purpose and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that the consolidated financial statements, considered in their entirety, contain no material anomalies. Reasonable assurance corresponds to a high level of assurance without, however, guaranteeing that an audit conducted in accordance with professional standards will systematically detect any material anomaly. Anomalies may result from fraud or error and are considered material when one can reasonably expect that, individually or together, they could influence the economic decisions made by users of the financial statements based on those statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist of guaranteeing the viability or quality of your Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. Moreover:

- the auditor identifies and measures the risks that the consolidated financial statements contain material anomalies, whether as a result of fraud or error, defines and implements audit procedures in light of these risks, and collects information deemed sufficient and appropriate on which to base an opinion. The risk of failure to detect a material anomaly resulting from fraud is greater than the risk of failure to detect a material anomaly resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or bypassing of internal controls;

- the auditor reviews the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, and not in order to express an opinion on the effectiveness of the internal controls;
- the auditor assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as information on these elements provided in the consolidated financial statements;
- the auditor assesses the appropriateness of management's application of the going concern accounting convention and, based on information collected, the existence or absence of material uncertainty related to events or circumstances that could call into question the Company's ability to continue operations. This assessment is based on information collected up to the date of the auditor's report; it is, however, noted that subsequent circumstances or events could call into question the Company operating as a going concern. If the auditor concludes that a material uncertainty exists, he calls the attention of readers of the audit report to information provided in the consolidated financial statements concerning this uncertainty or, if this information is not provided or is not pertinent, the auditor certifies with reservations or refuses to certify the financial statements;
- the auditor assesses the overall presentation of the consolidated financial statements and evaluates whether they reflect and provide a fair picture of the underlying transactions and events;
- for financial information on persons or entities included within the scope of consolidation, the auditor collects information believed to be sufficient and appropriate in order to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and completion of the audit of the consolidated financial statements and for the opinion on those statements.

Report to the Audit Committee

We are submitting a report to the Audit Committee specifically describing the scope of the audit work and the work conducted, as well as the conclusions arising from our work. We are also informing the Committee of any significant weaknesses in the internal controls we have identified in the procedures for preparing and processing the accounting and financial information.

The elements communicated in the report to the Audit Committee include the risks of material anomalies which we believe were the most important for the audit of the annual consolidated financial statements and which therefore constitute the key points of the audit which it is our responsibility to describe in this report.

We are also providing the Audit Committee with the declaration stipulated by Article 6 of Regulation (EU) 537/2014 confirming our independence, under the rules applicable in France specifically as established by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the Code of Ethics for the auditing profession. As necessary, we discuss with the Audit Committee any risks impacting our independence and the safeguards taken.

Paris La Défense, March 13, 2020

Statutory Auditors

Deloitte & Associés

Stéphane Rimbeuf
Partner

KPMG Audit

A department of KPMG S.A.

Éric Ropert
Partner

SPECIAL AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

General Meeting called to approve the financial statements for the year ended December 31, 2019

To the General Meeting of Fnac Darty,

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. These procedures consisted of checking the consistency of the data we were given against the documents from which the data were taken.

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.

In addition, as requested, we hereby draw your attention to the following agreements concerning Enrique Martinez, Chief Executive Officer of Fnac Darty S.A., which were treated as regulated agreements under Article L. 225-90-1 of the French Commercial Code up until Decree No. 2019-1234 of November 27, 2019:

Membership in a supplementary defined-contribution pension plan

Nature and purpose

In its decision of July 17, 2017, your Company's Board of Directors previously authorized the continued participation of Enrique Martinez in the supplementary defined-contribution pension plan for all executives of the French companies of the Group included in the policy.

Terms

The amount of contributions in respect of this participation stands at €11,156.16 for 2019.

Participation in a provident insurance policy

Nature and purpose

In its decision of July 17, 2017, your Company's Board of Directors previously authorized the participation of Enrique Martinez in the provident insurance plan to which all employees of Fnac Darty are entitled for the reimbursement of health costs and in the event of death or permanent and total disability of the insured party.

Terms

The amount of contributions in respect of this participation stands at €9,543.48 for 2019.

Non-compete agreement for the Chief Executive Officer

Nature and purpose

In a decision dated July 17, 2017, your Company's Board of Directors previously authorized a non-compete agreement signed by your Company and its Chief Executive Officer, Enrique Martinez. The Board of Directors decided on February 20, 2019 to amend this agreement, to take into account the additional information provided by the Afep-Medef Corporate Governance Code for listed companies, which was revised in June 2018. This amendment was approved by the Combined General Meeting of May 23, 2019 on the basis of the special auditors' report of March 15, 2019.

Terms

This agreement covers the specialty retail market for entertainment and electronic products and household appliances for the consumer market in the countries where the Group operates. It is limited to a period of two years from the end of the Chief Executive Officer's term of office.

In consideration for this agreement, Enrique Martinez will receive 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, with the understanding that the Board of Directors may waive implementation of this clause. This allowance will now be paid in installments over the term of the agreement, and payments will stop once the Chief Executive Officer decides to retire; in any event, no compensation will be paid after he reaches the age of 65.

This agreement was not executed during the previous year.

Paris La Défense, March 13, 2020

Statutory Auditors

KPMG Audit	Deloitte & Associés
A department of KPMG S.A.	
Éric ROPERT	Stéphane RIMBEUF
Partner	*Partner*

INDEPENDENT THIRD-PARTY REPORT BY ONE OF THE STATUTORY AUDITORS ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE DECLARATION

Year ended December 31, 2019

To the General Meeting,

In our professional capacity as an independent third party (ITP) appointed as Statutory Auditor of your company (hereinafter the "entity"), accredited by Cofrac under number 3-1049 [1], we hereby present you with our report on the consolidated Non-financial Performance Declaration for the year ended December 31, 2019 (hereinafter the "Declaration"), presented in the Group's Management Report pursuant to the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

The entity's responsibility

It is the role of the Board of Directors to draft a Declaration in accordance with the legal and regulatory provisions, including an overview of the business model, a description of the main non-financial risks, an overview of the policies in place with regard to these risks and the results of these policies, including key performance indicators.

The Declaration was drafted following company procedure (hereinafter the "Guidelines"), the key elements of which are included in the Declaration and are available from the entity's registered office on request.

Independence and quality control

Our independence is defined by the provisions contained in Article L. 822-11-3 of the French Commercial Code and the profession's Code of Ethics. We have also established a quality control system, which covers the policies and documented procedures aiming to ensure compliance with the applicable legal texts and regulations, ethical rules and professional standards.

The responsibility of the independent third party appointed as Statutory Auditor

Our role, on the basis of our work, is to deliver a justified opinion expressing a conclusion of moderate assurance on:

- the conformity of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code; and
- the accuracy of the information provided pursuant to paragraph 3 of parts I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions relating to the main risks, hereinafter the "Information".

However, it is not our role to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the oversight plan ("Plan de Vigilance") and the fight against corruption and tax evasion, nor to comment on the conformity of products and services with applicable regulations.

(1) *The scope of this accreditation can be viewed on www.cofrac.fr.*

Nature and extent of the work

Our work outlined below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code and in accordance with the professional standards of the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this assignment, as well as international standard ISAE 3000 (1):

- we have been informed about the activities of all entities included within the scope of consolidation and the presentation of the main risks;
- we have assessed the appropriate nature of the Guidelines in terms of their relevance, comprehensiveness, reliability, impartiality and understandability, taking into consideration best practices within the sector, if necessary;
- we have verified that the Declaration covers each category of information pursuant to part III of Article L. 225-102-1 in terms of social and environmental factors as well as respect for human rights and the anti-corruption and tax evasion issues;
- we have verified that the Declaration presents the information provided for in section II of Article R. 225-105, where it is relevant in relation to the main risks, and includes an explanation of the reasons for the absence of the information required by the second subparagraph of section III of Article L. 225-102-1;
- we have verified that the Declaration includes the business model and the description of the main risks linked to the activity of all entities included in the scope of consolidation, including, if relevant and proportionate, the risks created by its business relations, its products or its services, as well as the policies, actions and results, including key performance indicators relating to the main risks;
- we have consulted the documentary sources and conducted interviews to:
  - assess the selection and validation process of the main risks and the consistency of the results, including the key performance indicators selected, with regard to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important presented in the Appendix. For the "Integrity of Fnac Darty and its Partners" risk, our work has been carried out at the level of the consolidating entity; for other risks, work has been carried out at the level of the consolidating entity and in a selection of entities (2);
- we have verified that the Declaration covers the consolidated scope, i.e. all companies included in the scope of consolidation in accordance with Article L. 233-16, within the limits specified in the Declaration;
- we have read the internal control and risk management procedures put in place by the entity and have assessed the collection process aimed at the completeness and accuracy of the information;
- for the key performance indicators and other quantitative results we deemed most important presented in the Appendix, we implemented:
  - analytical procedures to verify the correct consolidation of data collected, as well as the consistency of developments,
  - detailed tests, based on surveys, consisting of verifying the correct application of definitions and procedures and reconciling the data in the supporting documentation. This work was carried out with selected contributing entities (1) and covers between 32% and 95% of consolidated data chosen for these tests; and
- we have assessed the overall consistency of the Declaration in relation to our knowledge of the entities included in the scope of consolidation.

We consider that the methods that we used in applying our professional judgment enable us to arrive at a conclusion of moderate assurance; a higher level of assurance would have required more verifications.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.
(2) Fnac Darty France and Fnac Spain.

Means and resources

Our work used the skills of five people and took place between September 2019 and March 2020 over a total period of four weeks.

To aid us in the execution of our tasks, we called upon our sustainable development and corporate social responsibility specialists. We conducted some 10 interviews with the persons responsible for the preparation of the Declaration.

Conclusion

On the basis of our work, we have not identified any material anomalies likely to call into question the conformity of the consolidated Non-financial Performance Declaration with the applicable regulatory provisions or the fact that the Information, taken as a whole, is presented accurately and in accordance with the Guidelines.

Paris-La Défense, March 4, 2020

KPMG S.A.

Anne Garans
Partner
Sustainability Services

Eric Ropert
Partner

FNAC DARTY

REQUEST FOR DOCUMENTS AND INFORMATION

To be submitted to:

FNAC DARTY
Flavia
9, rue des Bateaux-Lavoirs
94200 Ivry-sur-Seine, France
Or by email to the following address:
actionnaires@fnacdarty.com

(Articles R. 225-81, R. 225-83 and R. 225-88 of the French Commercial Code)

I, the undersigned:

Last name ....

First name(s) ....

Address...

E-mail address ....

Owner of .... REGISTERED SHARE(S) of Fnac Darty

and/or .... BEARER SHARES of Fnac Darty (attach a copy of the certificate of registration in the bearer share account held by your financial intermediary)

request the documents and information regarding the Combined Ordinary and Extraordinary General Meeting of **May 28, 2020**, as stipulated in Articles R. 225-81 and R. 225-83 of the French Commercial Code on commercial companies.

In......................................., on................................20

Signature

NOTE: The current situation around COVID-19 and the ongoing restrictions on movement may result in difficulties in completing postal deliveries. In accordance with Article 3 of French Decree No. 2020-321 of March 25, 2020, documents may be sent to you electronically once you have provided your email address to this end.

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FNAC DARTY

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A French limited company *(société anonyme)*
with share capital of €26,566,152
Créteil Trade and Companies Registry
No. 055 800 296