

## Compensation of executive corporate officers

At its meeting on February 23, 2022, on the recommendation of the Appointments and Compensation Committee, the Board of Directors of Fnac Darty considered and approved the following compensation for Mr. Enrique Martinez, Chief Executive Officer.

### Variable compensation of Mr. Enrique Martinez for 2021

For 2021, the annual variable compensation of the Chief Executive Officer may be from 0% if no objective is fulfilled, to 100% of annual fixed compensation in the event that 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: 60% on business and financial targets, 10% on an objective related to customer experience target, 10% on objectives relating to corporate, social and environmental responsibility and 20% on qualitative goals.

The 2021 business and financial targets set for the variable portion are as follows:

- Group current operating income (COI) for 20% of the maximum for an achievement rate of 100% of the target, with a maximum of 166.67% in the event of outperformance;
- Group free cash-flow (FCF) for 20% of the maximum for an achievement rate of 100% of the target, with a maximum of 166.67% in the event of outperformance;
- Group revenues for 20% of the maximum for an achievement rate of 100% of the target, with a maximum of 166.67% in the event of outperformance.

The 2021 objective relative to customer experience is as follow:

- Net Promoter Score (NPS) for 10% of the maximum for an achievement rate of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives relating to the company's 2021 corporate, social and environmental responsibility set for the variable portion are as follows:

- Group's non-financial rating for 5% of the maximum for an achievement rate of 100% of the target, with a maximum of 150% in the event of outperformance;
- Employee engagement for 5% of the maximum for an achievement rate of 100% of the target, with a maximum of 150% in the event of outperformance.

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

- A trigger point below which no compensation is payable for the objective concerned, and
- A level of achievement beyond which the compensation is capped at 166.67% for the business and financial objectives, and 150% for the customer experience and corporate, social and environmental responsibility objectives.

The 2021 qualitative objectives set for the variable portion are as follows:

- Quality of management, Social climate, Quality of financial communication, Quality of shareholder reporting, Relations with directors for 10% of the maximum for an achievement rate of 100% of the target;
- Launch and deployment of the Everyday strategic plan with the achievement of the objectives set for the first year for 10% of the maximum for an achievement rate of 100% of the target.

The performance on this second criterion must be assessed with regard to the results to be delivered on the 3 ambitions that the group has set itself by 2025:

1. Embody new standards for successful digital and human omnichannel retail;
2. Helping consumers adopt sustainable behaviours;
3. Rolling out the reference subscription-based home assistance service.

The potential variable amount for qualitative objectives is capped at 100% of the potential for the objective achieved on these criteria, without the possibility of compensation for the outperformance.

The Board of Directors measured each of the business, financial, customer experience and corporate, social and environmental responsibility criteria based on performance throughout 2021. The qualitative criteria were assessed at the same meeting based on the Appointments and Compensation Committee's evaluation, partly quantified.

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

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

## **Fixed and variable compensation of Mr. Enrique Martinez for 2022**

The Board of Directors, on February 23, 2022, on the recommendation of the Appointments and Compensation Committee, pursuant to its decision of February 20, 2019, decided to maintain the fixed compensation of its Chief Executive Officer at €750,000 for 2022 with a potential variable amount also unchanged at a maximum of 150% of the fixed compensation to compensate outperformance.

Regarding the variable compensation for 2022, no change has been made to its structure. Business and financial criteria remain paramount. Variable compensation is broken down as follows: 60% on business and financial targets, 10% on an objective related to customer experience target, 10% on objectives relating to corporate, social and environmental responsibility and 20% on qualitative goals.

The 2022 business and financial targets set for the variable portion are as follows:

- Group current operating income (COI) for 20% of the maximum for an achievement rate of 100% of the target, with a maximum of 166.67% in the event of outperformance;
- Group free cash-flow (FCF) for 20% of the maximum for an achievement rate of 100% of the target, with a maximum of 166.67% in the event of outperformance;
- Group revenues for 20% of the maximum for an achievement rate of 100% of the target, with a maximum of 166.67% in the event of outperformance.

The 2022 objective relative to customer experience is as follow:

- Net Promoter Score (NPS) for 10% of the maximum for an achievement rate of 100% of the target, with a maximum of 150% in the event of outperformance.

The objectives relating to the company's 2022 corporate, social and environmental responsibility set for the variable portion are as follows:

- Group's non-financial rating for 5% of the maximum for an achievement rate of 100% of the target, with a maximum of 150% in the event of outperformance;
- Employee engagement for 5% of the maximum for an achievement rate of 100% of the target, with a maximum of 150% in the event of outperformance.

The 2022 qualitative objectives set for the variable portion are as follows:

- Execution of the Everyday plan: Development of the service policy; Achievement of the digital ambition; Achievement of sustainability goals; Realization of the performance plan; Design and implementation of a new structure strengthening risk control and cyber security corresponding to 15% of the maximum for an achievement rate of 100% of the target;
- Quality of management and social climate corresponding to 5% of the maximum for an achievement rate of 100% of the target.

The potential variable amount for qualitative objectives is capped at 100% of the potential for the objective achieved on these criteria, without the possibility of compensation for the outperformance.

All these targets, objectives and goals are predetermined according to a specific methodology.

Pursuant to Article L.22-10-8 of the French Commercial Code, the compensation policy of corporate officers for 2022 will be subject to the approval by the General Meeting on May 18, 2022.