

Compensation policy for corporate officers

In accordance with Article R. 22-10-14 IV of the French Commercial Code (*Code de Commerce*), the compensation policy for corporate officers submitted to the General Meeting of Shareholders on May 24, 2023 is set out below:

Compensation policy

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

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

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

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

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

The variable component of the compensation, whether annual or long-term, is subject to the achievement of objectives established in accordance with criteria based on the Company's strategic priorities. In accordance with the recommendations of the AFEP-MEDEF Code, the variable compensation of executive corporate officers incorporates several criteria related to CSR, including at least one criterion related to the Company's climate objectives. These criteria, defined precisely, reflect the social and environmental challenges that are the most important for the Company. Quantifiable criteria are preferred. These criteria are reviewed on a regular basis although long-term stability is favored. The objectives to be achieved for each criterion are determined annually in order that they may be adapted to the Company's goals and to the expected timeframe for each system (short-term for the annual variables, long-term for stock purchase options and performance shares).

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

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

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

However, in exceptional circumstances, the Board of Directors may, on the proposal of the Appointments and Compensation Committee and as permitted by Article L. 22-10-8 of the French Commercial Code, depart from the application of this compensation policy where such exemption is temporary, in line with the company's interests and necessary to guarantee the continuity or the viability of the company. In this context, the Board of Directors may, on the recommendations of the Appointments and Compensation Committee, adjust the criteria and performance conditions for long-term annual variable compensation without the adjustments exceeding the ceilings set out in the compensation policy as a result. Any change needs to be justified and must remain in line with the interests of shareholders and beneficiaries.

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

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

This compensation policy was drawn up by the Board of Directors on the recommendations of the Appointments and Compensation Committee. In this context, the Board of Directors decided to make changes to the Chief Executive Officer's annual variable compensation structure to more closely align the interests of the managers and shareholders and to strengthen the link between compensation and performance; to add, as permitted by law, a waiver clause to the compensation policy and to increase the fixed annual sum to be allocated to the Board of Directors in order to take into account the increasing importance of the role of the Corporate, Environmental and Social Responsibility Committee in the governance of the Company.

In the event of the appointment of a new Chief Executive Officer during the financial year, the principles, criteria and compensation elements set out in the current compensation policy for the Chief Executive Officer shall apply.

Similarly, in the event of the appointment of a new Chairman of the Board of Directors or a new director, the compensation policy applicable to the Chairman of the Board of Directors and to the directors shall apply to them respectively.

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

In the event that the positions of Chairman and Chief Executive Officer become combined, the compensation policy of the Chief Executive Officer and/or any other executive corporate officer shall apply.

On the recommendation of the Appointments and Compensation Committee, the Board of Directors may adjust the amount and compensation structure of any appointment to take into account the personal circumstances, experience and responsibilities of the person in question.

Thirteenth Resolution: Compensation policy for members of the Board of Directors

Voting result: 99.92%

Compensation policy

Compensation allocated to the members of the Board of Directors

Directors' terms of office run for a maximum period of 4 years. Directors may be dismissed at any time by the General Meeting.

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

The General Meeting of May 24, 2023 approved the increase of the fixed annual amount to be allocated to the Board of Directors, from €515,000 to €550,000 to take into account the increasing importance of the Corporate, Environmental and Social Responsibility Committee's role in the governance of the Company and the responsibility of the Directors who serve there.

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

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

- €320,000 is allocated to members of the Board of Directors;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance of €230,000 is allocated to the members of the specialized committees, broken down as follows: €90,000 to the Audit Committee, €70,000 to the Appointments and Compensation Committee (compared to €69,000 in 2022) and €70,000 to the Corporate, Environmental and Social Responsibility Committee (compared to €36,000 in 2022). These portions are allotted strictly on the basis of members' attendance at committee meetings;

- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

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

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

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

Fourteenth resolution: compensation policy for the Chairman of the Board of Directors

Voting result: 99.92%

Compensation policy

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

The Chairman is appointed for the full term of his or her directorship. The term of office of Mr. Jacques Veyrat as Chairman of the Board of Directors is three years. It will end in 2025, at the General Meeting called to approve the financial statements for the year 2024. The Chairman of the Board of Directors may be dismissed at any time by the Board of Directors. He is not bound by any employment contract with the Company or any other Group company.

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

Fixed compensation

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

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

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

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

It is specified that, for information purposes, at its meeting of February 23, 2023, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to maintain the fixed compensation of its Chairman for 2023 at €200,000.

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

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

Compensation allocated to directors

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

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

- €320,000 is allocated to members of the Board of Directors;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance of €230,000 is allocated to the members of the specialized committees, broken down as follows: €90,000 to the Audit Committee, €70,000 to the Appointments and Compensation Committee (compared to €69,000 in 2022) and €70,000 to the Corporate, Environmental and Social Responsibility Committee (compared to €36,000 in 2022). These portions are allotted strictly on the basis of members' attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

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

Other benefits

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

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

Voting result: 94.10%

Compensation policy

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

It is the responsibility of the Board of Directors to set the term of office of the Chief Executive Officer. By decision dated July 17, 2017, the Board decided to appoint Mr. Enrique Martinez as Chief Executive Officer for an indefinite term. He may be dismissed at any time by the Board of Directors. He is bound to the company by an employment contract, suspended when he took office in July 2017.

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

Fixed compensation

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

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

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

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

For information purposes, it is specified that the gross annual fixed compensation of Enrique Martinez for 2023 is €750,000. This amount has not changed since 2019.

Annual variable compensation

On the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to award the variable annual compensation of executive corporate officers, in whole or in part, in the form of performance shares. This deferred and conditional allotment of the Company's shares strengthens the alignment of the interests of the executive corporate officers and the shareholders.

The performance conditions and the annual variable compensation ceiling remain unchanged.

For 2023, all annual variable compensation will be awarded in the form of performance shares.

The annual variable compensation of executive corporate officers is determined by the Board of Directors which, every year, sets the nature of the quantitative objectives and qualitative goals along

with their relative weighting for the variable component of compensation. Variable compensation is proportional and may currently represent between 0% (no objective achieved) and 100% of fixed annual compensation if objectives are achieved. Overall, this variable compensation may reach a maximum of 150% of annual fixed compensation if the objectives are exceeded (outperformance).

The allotment of shares is subject to compliance with:

- a one-year vesting period;
- followed by a two-year lock-up period.

The payment of variable compensation or the vesting of shares may only take place with the approval of the General Meeting and in accordance with provisions of Article L. 22-10-34, II of the French Commercial Code.

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

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

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

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

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

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

The specific criteria and the structure of the current annual variable compensation are described below.

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

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

The targets for these three criteria are the same as in the Group's budget for 2023.

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

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

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

- the reduction in Fnac Darty's energy consumption in France accounts for 5% of the total objective for an achievement level of 100%, with a maximum of 150% in the case of overperformance. This objective, common to all Group managers eligible for annual variable compensation, replaces the non-financial rating criterion in 2023. This demonstrates, on the one hand, the Group's willingness to take into account criteria that are more specific to the Company, an aspect highlighted during regular dialogue with shareholders, and, on the other hand, the importance attached to this major ecological issue, which is also an important economic challenge for the Company. This criterion, introduced in our Non-Financial Performance Declaration, is part of our Everyday strategy and forms part of our objective to reduce our CO2 emissions by 50% by 2030;
- Group employee engagement, also presented in our Non-financial Performance Declaration and measured monthly using a questionnaire sent to all Group employees, corresponds to 5% of the total objective for a target achievement rate of 100%, with a maximum of 150% in the event of outperformance.

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

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

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

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

With regard to qualitative criteria, the Board of Directors has set the following objectives for 2023:

- the implementation of the strategic plan with criteria refocused on:
 - o development of the services policy,
 - o ensuring that execution of the performance plan corresponds to 10% of the total objective for a 100% target achievement rate;
- ensuring that the quality of the working environment corresponds to 10% of the total objective for a 100% target achievement rate.

These objectives were established in advance by the Board of Directors, and partly correspond to a quantified ambition. They are not made public for reasons of confidentiality.

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

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

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

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

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

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

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

Since 2019, the measurement of social and environmental responsibility criteria has provided for alignment with the mission of the Group, i.e. "committing to providing an educated choice and sustainable consumption" to its customers, which provides a way to stand out and to create value. Replacement of the Group's non-financial rating with the reduction in energy consumption, the common objective of all managers eligible for annual variable compensation, reflects the desire to take an impactful collective approach to address the Group's climate and economic challenges. Furthermore, the monitoring of employee commitment, the Company's main asset, particularly within a context of major transformation and economic uncertainty, demonstrates the importance of human capital for the Group, whose employees strive to guide consumers in order to enable them to make the best choice, an educated choice, thereby marking significant competitive differentiation.

Finally, the qualitative goals, reviewed each year, encourage highquality operational performance and the rapid and effective roll-out of key projects for the Company's transformation, which create value. For 2023, these objectives were partly renewed as part of a coherent and continuous implementation of the ambitions for the year under the strategic plan Everyday. The specific focus this year is on:

- the development of its services policy demonstrating the Group's ambition to transform further while ensuring high-quality for its customers;
- the performance plan focuses on the actions essential to controlling our costs;
- the quality of the social climate is once again a major issue in an unstable economic environment.

These qualitative goals partly correspond to quantified ambitions.

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

		% of fixed compensation		
		Minimum	Target	Maximum
Economic and financial objectives (60% of total variable compensation)	Group current operating income (COI)	0.0%	20.0%	33.3%
	Group free cash flow (FCF)	0.0%	20.0%	33.3%
	Group revenue	0.0%	20.0%	33.3%
Customer experience objective (10% of total variable compensation)	Net Promoter Score (NPS)	0.0%	10.0%	15.0%
Corporate social and environmental responsibility (10% of total variable compensation)	Reduction in energy consumption	0.0%	5.0%	7.5%
	Employee engagement	0.0%	5.0%	7.5%
Qualitative goals (20% of total variable compensation)	Development of the services policy, Execution of the performance plan	0.0%	10.0%	10.0%
	Social climate	0.0%	10.0%	10.0%
TOTAL VARIABLE COMPENSATION AS % OF FIXED COMPENSATION		0.0%	100.0%	150.0%

In the event of a departure that takes place during the financial year, annual variable compensation will be paid, or shares will be vested, taking into account how far into the financial year in question the departure occurs, and in accordance with the level of achievement of the performance conditions.

As an exception to the foregoing, in the event of death or disability corresponding to classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code, the beneficiary will not lose their entitlement to annual variable compensation for the portion paid in securities.

On February 23, 2023, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board of Directors reviewed the retention conditions applicable to executive corporate officers and decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and

option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and

- however, this percentage is reduced to 10% (instead of 5% previously), as resulting from the decision of the Board of Directors dated February 23, 2023, if the number of shares held by the executive corporate officers under the bonus share allotment and the exercise of options, under all plans, represents an amount that is equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the termination of their duties under Section 24 of the French AFEP-MEDEF Code.

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

Long-term compensation, stock options and performance shares

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

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

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

These plans do not include a vesting period less than three years. Vesting in these plans is subject to:

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

The performance criteria, which are identical to those used for Executive Committee member plans, are stringent. They do not allow these plans to be vested if a trigger threshold is not reached. They are measured over a period covering the financial years covered by the plans. The results may vary depending on the criteria selected and may include a change in performance between the start of the plan or a period preceding it, and the end of the plan. When performance against a criterion is measured in relative terms by comparison with an index or a peer group, the performance threshold below which no compensation for the criterion is payable is either the median or the average of the index of the comparison group.

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

On February 23, 2023, in accordance with Articles L. 225-185 and L. 225-197-1 of the French Commercial Code, the Board of Directors reviewed the retention conditions applicable to executive corporate officers and decided that:

- the executive corporate officers must hold, in registered form, until the end of their term of office, a minimum number of shares corresponding to 25% of their fully vested shares (net of fees and taxes and the disposals necessary to exercise options) on each of the bonus share and option plans allotted to them by the Board on or after the date of their appointment; it is specified that the plans from which they may have benefited earlier as employees are not included in this requirement; and
- however, this percentage is reduced to 10% (instead of 5% previously), as resulting from the decision of the Board of Directors dated February 23, 2023, once the number of shares held by the executive corporate officers under the bonus share allotment and the exercise of options, under all plans, represents an amount that is equal to twice their gross annual fixed compensation, which is the minimum number of shares that the executive corporate officers must hold in registered form until the termination of their duties under Section 24 of the French AFEP-MEDEF Code.

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

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

Exceptional compensation

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors does not intend to award exceptional compensation to the executive corporate officers except in very special circumstances. The payment of such compensation must be able to be justified by an event such as

the achievement of a major transaction for the Company or specific substantial outperformance that is not measured as part of the annual variable compensation. The value of exceptional compensation awarded may represent up to 100% of the annual fixed compensation and the maximum annual variable compensation. In any event, payment of this compensation may only take place with the approval of the General Meeting and in accordance with provisions of Article L. 22-10-34, II of the French Commercial Code.

Compensation allocated to directors

Where an executive corporate officer is also a director of the Company, they may receive compensation in this capacity. This compensation is determined, distributed and awarded to an executive corporate officer in accordance with the rules applicable to all the directors.

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

- €320,000 is allocated to members of the Board of Directors;
- this amount is comprised 30% of a fixed component and 70% of a variable component, which reflects Directors' attendance at Board meetings;
- the balance of €230,000 is allocated to the members of the specialized committees, broken down as follows: €90,000 to the Audit Committee, €70,000 to the Appointments and Compensation Committee (compared to €69,000 in 2022) and €70,000 to the Corporate, Environmental and Social Responsibility Committee (compared to €36,000 in 2022). These portions are allotted strictly on the basis of members' attendance at committee meetings;
- the Chairman of the Board of Directors and the committee chairs receive a 50% higher fee for their attendance at each meeting;
- no specific compensation is allocated to the members of the Strategy Committee, as they are also members of the Board of Directors and (with the exception of the Executive Corporate Officer) serve as Chairman of the Board or chairs of the specialized committees.

The Chief Executive Officer was not paid any compensation in this capacity. The Board of Directors decided, on February 23, 2023, on the recommendation of the Compensation Committee, to allow Mr. Enrique Martinez to receive compensation for his office as a director in accordance with the aforementioned rules applicable to directors. This compensation makes it possible to take into account the quality of the work of the individual concerned on the Board of Directors and is justified in view of the renewal of his or her term of office approved by the Annual General Meeting of May 24, 2023.

Other benefits

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

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

Commitments

Severance package

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

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

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

Non-compete agreement

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

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

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

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

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

Supplementary pension scheme

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

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

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

Provident insurance plan

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

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

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