

CEO compensation principles for the 2020 fiscal year

During its meeting held on January 28th, 2020, the Board of Directors, upon recommendation of the Governance and Compensation Committee, has appointed M. Luca de Meo as new Chief Executive Officer as of July 1st, 2020.

Moreover, the Board of Directors, upon recommendation of the Governance and Compensation Committee, set forth the principles applicable to the compensation of M. Luca de Meo as Chief Executive Officer for the 2020 financial year, in compliance with the provisions of the AFEP-MEDEF Code, as follows:

- Annual fixed compensation: EUR 1,300,000, payable in twelve monthly installments (prorated as of the beginning of the tenure).
- Annual variable compensation (fully paid in cash): up to 150% of the fixed compensation subject to quantifiable and qualitative performance criteria.
- Long term compensation: granting of 75,000 performance shares, the definitive acquisition of which will be conditional upon (i) the achievement of performance criteria which will be assessed over a cumulative period of 3 year and (ii) a presence condition of 3 years as from the granting date.
- Non-competition commitment: commitment of 2 years, with a financial compensation corresponding to two years of annual compensation (fixed and variable compensation), payable in twenty-four monthly installments, subject to the implementation of this non-competition agreement by the Board of Directors.
- Severance pay: compensation corresponding to two years of annual compensation (fixed and variable compensation), in the event of revocation at the initiative of the Board of Directors and subject to the achievement of performance conditions set by the Board of Directors. This compensation will not be paid in the event of retirement and will not be combined with the non-competition compensation in the event of implementation of the non-competition commitment.
- Pension scheme: supplementary pension plans similar to those benefiting the members of the Group Executive Committee (article 83 and article 82).
- Provident and supplementary health insurance schemes.
- Two company cars and a company car with driver.

In accordance with the provisions of article L.225-37-2 of the French Commercial Code, the Board of Directors will decide, at its next meeting, the compensation policy for the new Chief Executive Officer for the 2020 fiscal year which will be submitted to the Shareholders' General Meeting to be held on April 24, 2020.