



Boulogne-Billancourt, on June 9, 2017

### **Communication of the Board of Directors**

The Board of Directors that met today took the following decision regarding the compensation of Mr. Alexandre Bompard, upon the recommendation of the Compensation Committee.

The Board of Directors has decided to maintain a structure of compensation identical to the one of Mr. Georges Plassat.

Mr. Alexandre Bompard will receive an annual compensation comprising a fixed part set at EUR 1,500,000 and a variable part based on the fulfillment of objectives that can reach 100% of the annual fixed compensation if the objectives are fulfilled and up to 165% if the objectives are exceeded.

The objectives, as the terms and conditions of payment of the variable part of the compensation, will be set on an annual basis by the Board of Directors upon the recommendation of the Compensation Committee. For 2017 and 2018, the fulfillment of 100% of the objectives will allow Mr. Alexandre Bompard to benefit from a variable compensation corresponding to 100% of his annual fixed compensation. The fulfillment of 120% of the objectives will allow him to benefit from a variable compensation corresponding to 165% of his annual fixed compensation

The performance objectives are based, for 50% of the variable compensation, on achieving financial targets (with organic sales and recurring operating income each accounting for half) and, for the remaining 50%, on achieving individual qualitative objectives (quality of the governance and CSR, with each of these objectives accounting for half).

Mr. Alexandre Bompard will also benefit, on an annual basis, from long-term incentive plans, which may include stock options, performance shares or a cash payout, under the following terms and conditions:

- the long-term compensation can only represent up to a maximum of 45% of the global target compensation (this global target compensation is equal to the sum of the annual fixed compensation, the target annual variable compensation of 165% and the long-term incentive plan);
- in order to benefit from the plan, two of the three qualitative performance conditions (CSR) and quantitative performance conditions (sales and recurring operating income) set by the Board of Directors must be more than 100% fulfilled for two consecutive years;
- in order to benefit from the plan, Mr. Alexandre Bompard shall remain Chairman and Chief Executive Officer at the end of the relevant financial years.

Furthermore, Mr. Alexandre Bompard will be eligible to a supplementary defined benefit pension plan, as are other group's executive officers whose gross annual compensation are greater than 18 times the annual ceiling for Social Security contributions.

Mr. Alexandre Bompard will be eligible to a termination indemnity equal to the compensation received for one year (fixed and variable target compensation). In the same way, the payment of this termination indemnity is subject not only to performance conditions but also to a non-compete commitment.