

solocal

Governance

General Meeting
3rd June 2021



● Compensation policy for the Chairman of the Board

● 7th resolution

Pierre Danon	Type of compensation	Amount	Comments
Chairman of the Board of Directors	Fixed all-inclusive compensation	150 000 €	<ul style="list-style-type: none">• 150,000 euros fixed all-inclusive compensation for the term of office of the Chairman of the Board of Directors

- **Compensation policy for the Chief Executive Officer (Hervé Milcent since April 6, 2021)**
- 8th resolution (1/5)

	Type of compensation	Amount	Comments
Chief Executive Officer	Fixed compensation 2021	450 000€	<ul style="list-style-type: none"> Gross annual compensation on a pro rata basis for time served in 2021, payable monthly (starting April 6, 2021).
	Variable compensation 2021	450 000€	<ul style="list-style-type: none"> Variable gross annual compensation ranging from 0% to 150% of fixed compensation. The targets set for the Chief Executive Officer by the Board of Directors for financial year 2021 include seven quantitative criteria: (i) 40%: EBITDA - Capex, (ii) 20%: FCF, (iii) 15%: Revenues, (iv) 10%: Number of customers, (v) 5%: NPS customers/Solocal, (vi) 5% : Direct audience PagesJaunes + Local Partner and (vii) 5% : CSR - absenteeism of sales force. In the event of the Chief Executive Officer's departure during the year, the variable compensation payable will be calculated on a pro rata basis, and the Board of Directors may decide either to estimate the achievement of targets at the date of the end of the appointment, or to carry out an assessment at the end of the financial year.

● **Compensation policy for the Chief Executive Officer (Hervé Milcent since**
● **April 6, 2021)**
● **8th resolution (2/5)**
●

	Type of compensation	Comments
Chief Executive Officer	Benefits in kind	<ul style="list-style-type: none"> • Coverage/Providing:: <ul style="list-style-type: none"> ➢ Health and welfare benefits plans;; ➢ Civil liability insurance as Chief Executive Officer; ➢ Refund of his business expenses incurred when performing his functions as Chief Executive Officer; ➢ Enrollment fees and unemployment insurance contributions (GSC) ; ➢ A company car.
	Compensation for his term of office as Director	<p>No directorship in Solocal Group</p> <ul style="list-style-type: none"> • The Chief Executive Officer is not entitled to receive any compensation for his position as Director of Solocal Group.
	Severance payment	<ul style="list-style-type: none"> • The amount of the payment will be equal to 12 months of the Chief Executive Officer's average gross fixed (i) and variable (ii) annual compensation over the last two full financial years. • The payment of the compensation will be subject to the following performance condition: the Chief Executive Officer must have achieved an average of at least 50% of his annual targets during the last two completed years. If the departure occurs during the first year after taking office, 100% of the bonus will be taken into account for the calculation of the severance payment.

- **Compensation policy for the Chief Executive Officer (Hervé Milcent since April 6, 2021)**
- 8th resolution (3/5)

	Type of compensation		Comments
Chief Executive Officer	Non-competition compensation		<ul style="list-style-type: none"> • The non-competition obligation shall be limited to a 12-month period starting from the day of the end of the duties. • At the discretion of the Board of Directors, the Company may (i) waive the benefit of the non-competition commitment (in which case it would not be required to pay the corresponding compensation) or (ii) reduce the duration, the scope of activities and/or geographical scope of the said commitment (in which case the amount of the non-competition compensation would be reduced accordingly).
	Supplementary pension scheme		<ul style="list-style-type: none"> • Defined contribution supplementary retirement plan (Article 83 of the French General Tax Code).

● **Compensation policy for the Chief Executive Officer (Hervé Milcent since April 6, 2021)**
 ● **8th resolution (4/5)**

	Type of compensation	Amount	Comments
Chief Executive Officer	Classic LTI (resolution voted during the Shareholder's Assembly of the 27th November, 2021)	120 000 free shares 10 000 additional shares in the event of overperformance of the share price	<ul style="list-style-type: none"> • Vesting period: 3 years • Obligation to retain at least 30% of the shares vesting, until the end of his term of office, within the limit of 3 years of salary • Two criteria: <ul style="list-style-type: none"> ✓ Free Cash Flow (80% of shares allotted) : <ul style="list-style-type: none"> - 30% of the shares awarded will vest on condition that the company generates €40 million in FCF in 2021 - 30% of the shares awarded will vest on condition that the company generates €80 million in FCF in 2022 - 20% of the shares awarded will vest on condition that the company generates €80 million in FCF in 2023 ✓ Share price (20% of the shares allotted) : <ul style="list-style-type: none"> - 100% of the shares (from this 20% sub-envelope): if the share price at the end of the 3rd financial year is €4.41 - No shares will vest if the share price in year 3 is €3 or less. - A linear vesting would be agreed if the share price at the end of the period is between €3 and €4.41 - A linear overallocation mechanism allowing the Chief Executive Officer to receive up to 10 000 additional free performance shares if the share price is between €4.41 and €5 • The allotment of performance shares will be subject to a positive vote by the General Meeting in the framework of the Say On Pay • Catch-up clause: if the cash generated is below target in 2021 and/or 2022 but the cash generated in 2022 or 2023 exceeds the target by an amount greater than the shortfall, the performance criterion will be deemed to have been met also for the year in which the shortfall occurred. • « Claw-back » clause in the event that it should appear a posteriori that the shares vested by the Chief Executive Officer have been acquired on the basis of information that he knew to be inaccurate

Compensation policy for the Chief Executive Officer (Hervé Milcent since April 6, 2021) 8th resolution (5/5)

	Type of compensation	Amount	Comments
<p>Chief Executive Officer</p>	<p>Booster LTI (resolution voted during the Shareholder's Assembly of the 27th November, 2021)</p>	<p>120 000 free shares</p> <p>25 000 additional shares in the event of overperformance of the share price</p>	<ul style="list-style-type: none"> • Vesting period : 3 years • Obligation not to liquidate the investment in the Company's shares made under the initial investment condition during the vesting period and obligation to retain at least 30% of the shares vesting, until the end of his term of office, within the limit of 3 years of salary • Two criteria: <ul style="list-style-type: none"> ✓ Free Cash Flow (50% of the shares allotted subject to the investment of the CEO) : <ul style="list-style-type: none"> - 15% of the shares will vest on the condition that the Company generates €40M of FCF in 2021 and the Chief Executive Officer invests in Company shares - 15% of the shares will vest on the condition that the Company generates 80M€ of FCF in 2022 and the Chief Executive Officer invests in Company shares within 15 months of the award - 20% of the shares will vest on the condition that the Company generates €80M of FCF in 2023 and the Chief Executive Officer invests in Company shares within 27 months of the award ✓ Share price (50% of the shares allotted subject to the investment of the CEO) : <ul style="list-style-type: none"> - 100% of the shares (from this 50% sub-envelope): if the share price at the end of the 3rd financial year is €4.41 - No shares will vest if the share price at the end of the 3rd financial year is €3 or less - A linear vesting would be agreed if the share price at the end of the period is between €3 and €4.41 - A linear overallocation mechanism allowing the Chief Executive Officer to receive 25 000 additional performance shares if the share price is between €4.41 and €5 • The allotment of performance shares will be subject to a positive vote by the General Meeting in the framework of the Say On Pay. • Catch-up clause: if the cash generated is below target in 2021 and/or 2022 but the cash generated in 2022 or 2023 exceeds the target by an amount greater than the shortfall, the performance criterion will be deemed to have been met also for the year in which the shortfall occurred. • « Claw-back » clause in the event that it should appear a posteriori that the shares vested by the Chief Executive Officer have been acquired on the basis of information that he knew to be inaccurate.

Directors' compensation policy

9th resolution

	Type of compensation	Amount	Comments
<p>Directors' compensation policy</p>	<p>Fixed all-inclusive</p>	<p>Annual budget of 490 000 €</p> <p>Distribution policy:</p> <ul style="list-style-type: none"> ➤ 150 000 € for the Chairman ➤ 37 700 € for the Directors ➤ 18 000 € for the Chairman of the Audit Committee ➤ 16 000 € for the Chairman of the Remuneration and Nomination Committee ➤ 16 000€ for the Chairman of the Customer Satisfaction Committee ➤ 5 800 € for the members of the Audit Committee ➤ 4 800€ for the members of the Remuneration and Nomination Committee ➤ 4 800€ for the members of the Customer Satisfaction Committee ➤ 18 000 € for the Chairman of the Ad Hoc Financial Restructuring Committee ➤ 3 000 € for the members of the Ad Hoc Financial Restructuring Committee 	<ul style="list-style-type: none"> • Maintaining the total budget • Directors waived 25% of their compensation during the 2 months of spring lockdown • Adjustment of the remuneration of Committee members to consider the importance of the work performed, after carrying out a benchmark • Pro-rated compensation for Directors who resigned during the financial year • Reduction of the sum paid to Directors who have been absent in a significant proportion • No compensation for Company Directors (Director representing employees, Chief Executive Officer - in cases where the positions of Chief Executive Officer and Chairman of the Board of Directors are separate).

• **Term of office renewal of David Amar, Delphine Grison, Paul Russo and Sophie Sursock** 11th, 12th, 13th and 14th resolutions

- Pierre Danon (Chairman of the Board of Directors)
- **David Amar (Vice-Chairman of the Board of Directors)***
- David Eckert
- **Delphine Grison***
- Anne-France Laclide
- Marie-Christine Levet
- Catherine Robaglia (Board Director representing the employees)
- **Paul Russo***
- **Sophie Sursock***

* Term of office to be renewed at the General Meeting of June 3, 2021

● LTI 2022 – Allotment of free shares to employees and corporate officers

● 15th Resolution (1/2)

- The Board of Directors is authorized to grant free ordinary shares
- Beneficiaries:
 - ✓ The salaried employees of Solocal Group and its subsidiaries
 - ✓ The corporate officers
- Maximum total number of free shares that may be granted:
 - ✓ **1.5%** of share capital over 24 months
 - ✓ **Maximum of 0.75 %** of the Company's share capital **per year**
- Maximum number of free shares that may be granted to executives: **0,3%** of share capital
- Vesting period of 3 years
- No minimum holding period, but the Board shall retain the right to define one at a later date
- This new resolution aims to allow the implementation of a new LTI at early 2022 and in 2023. No additional allotment on this complementary envelope is planned for 2021

● LTI 2022 – Allotment of free shares to employees and corporate officers

● 15th Resolution (2/2)

3 performance criteria:

- **Share price (Total Shareholder Return):** representing **40%** of the total number of performance shares allotted
 - ✓ Stock market index reference mechanism:
 - < index performance = 0
 - = index performance = 50%
 - 100% of the shares can only be allotted in the event of index overperformance.
- **Internal financial criteria such as "Net Free Cash Flow" for 2022:**
 - ✓ This criterion could represent **60%** of the total number of performance shares allotted for the first year and 50% for the second year
- **CSR criterion:**
 - ✓ Representing **10%** of the total number of performance shares allotted for the 2nd year
 - ✓ This criterion will only be implemented in **2023** and the choice of CSR criterion will be made by the Board of Directors