



A company with limited liability (*société anonyme*) with a Management Board and a Supervisory Board having a share capital of 284,326.80 euros
Registered office: 16, rue Oberkampf, 75011 Paris
815 286 398 RCS Paris

(the “Company”)

**REPORT IN SUPPLEMENT TO THE REPORT ON CORPORATE GOVERNANCE
CONCERNING THE COMPENSATION AND BENEFITS GRANTED TO CORPORATE OFFICERS**

Sir, Madam:

This report sets out the principles and criteria used to determine, distribute and grant the fixed, variable, and exceptional components making up total compensation and the benefits of all kinds that can be allocated to Mediawan’s executive corporate officers (*dirigeants mandataires sociaux*) in respect of the 2018 financial year, which will be submitted for shareholder approval at the General Shareholders’ Meeting of 5 June 2018 in accordance with article L. 225-37-2 of the French Commercial Code (*Code de commerce*).

These principles and criteria will apply, as applicable, to any successors of the Chairman of the Management Board and the other members of the Management Board up until the next General Shareholders’ Meeting called to vote on the compensation policy applying to executive corporate officers. Similarly, these principles and criteria will apply, as applicable, to any additional executive corporate officers appointed during the 2018 financial year, up until the next General Shareholders’ Meeting called to vote on the compensation policy applying to executive corporate officers.

In addition to the information described below, an allowance for taking up duties may be granted to - in accordance with the corresponding principles established by the AFEP-MEDEF Code - executive corporate officers recruited from outside of the company for the purpose of compensating such individuals for the loss of benefits enjoyed by them in their previous position.

It is specified that the payment of any variable and, if applicable, exceptional amounts in respect of the 2018 financial year shall be subject to the approval of the General Shareholders’ Meeting called to vote on the accounts for the 2018 financial year.

1. General Principles

The compensations paid to executive corporate officers are set by the Supervisory Board on the basis of a proposal put forward by the Appointments and Compensation Committee, in accordance with the following key principles:

- compensation must be aligned with the interests of shareholders and promote the creation of shareholder value over the long-term;
- compensation must be examined as a whole: all component parts of compensation and the balance between such components must be taken into consideration;

- compensation must be competitive in view of the practices applied by French and international companies in similar markets;
- compensation must be consistent with that paid to other executives and employees of the Company;
- variable compensation must support the Company's strategy and be closely linked to the Company's performance;
- compensation must reflect the Company's culture and values;
- compensation must be governed by rules that are simple, legible, and transparent.

Members of the Management Board (other than the Chairman of the Management Board) may simultaneously hold both their corporate office as a member of the Management Board and an employment contract with the Company or one of its subsidiaries.

The fixed and variable compensation measuring annual and long-term performance of those members of the Management Board who also hold an employment contract is assessed on an overall basis in respect of all duties carried out by them within the Company and its subsidiaries.

1.1. Use of an external consultant and benchmarking market practice

The Appointments and Compensation Committee uses a specialised independent firm to measure the competitiveness and salience of the compensation paid to the executive corporate officers.

Compensation surveys relate to French and international multinational companies that are comparable to Mediawan in terms of the number of employees, market capitalisation, business sectors, degree of internationalisation, and performance profile.

These surveys shed light for the Appointments and Compensation Committee on the positioning of the compensation paid to executive corporate officers and market trends. They constitute one of a number of factors used when determining the compensation paid to the executive corporate officers.

1.2. Fixed compensation

Fixed compensation should enable the Company to attract to the highest levels of management talent from within the Company's ranks or, as the case may be, talent hired externally. It should also contribute to their commitment and to making them loyal to the Company over the long-term.

Fixed compensation reflects the role and length of service of the position-holder and must be consistent with market practice.

Changes to fixed compensation are examined each year. The criteria taken into account when deciding upon a salary increase are changes in the scope and level of responsibility, the performance of the position-holder and his/her development within the role he/she holds, positioning as compared with the market for equivalent roles in multinational companies of a comparable size, and the economic and labour context of the Company and the group to which it belongs.

1.3. Annual performance-linked compensation (annual variable component)

The annual variable component acts as compensation for the achievement of strategic objectives (financial and non-financial) for the year.

The variable portion that is due if all objectives are fully met represents 100% of fixed compensation. Subject to minimum objectives being met, the variable portion may be less than this amount (without being nil) and, conversely, may reach up to a maximum of 200% for overachievement in respect of all objectives.

The structure of the variable portion and the nature of the objectives are established in advance at the start of each financial year. The evaluation of whether such objectives are met is carried out (after the results are validated by the Audit Committee) at the beginning of the following financial year by the Supervisory Board on the basis of recommendations made by the Appointments and Compensation Committee.

Quantifiable indicators must represent a predominant share of the structure of the variable portion and are selected from among those that enable the best possible implementation of the Company's strategy. The weight given to each indicator is reviewed each year on the basis of the priorities for the financial year.

For each quantifiable indicator, a target level is set (corresponding to a 100% rate of achievement of the objective). The target level is set such that it represents an objective that is ambitious yet attainable. A minimum and maximum are then set on either side of this target level. The minimum constitutes the threshold used to trigger achievement of the objective: below this minimum, no variable compensation is paid. The maximum corresponds to the cap on the rate of achievement of the objective. The Company seeks, through its philosophy on compensation, to encourage holders to exceed the target level and to aim for overachievement. The levels set for the indicators are defined by taking into account the global economic context, growth forecasts in the media and entertainment industry, and internal factors within the Company.

In order to assess the achievement of the financial objectives, the indicators are calculated by neutralising any external factors that are beyond the executive's control (such as, for example, exchange rate fluctuations and changes to the scope of the Group).

The target variable portion for executive corporate officers for the 2018 financial year is made up of the following three objectives (not taking into account any employment contracts they may hold).

Targets	Weight
Pro forma turnover of the scope of consolidation corresponding to the announcements made to the market	40%
EBITDA	40%
Cash flows	20%

As regards the share of the variable portion of compensation that is attached to an executive corporate officer's employment contract, the variable portion of the compensation paid to the executive corporate officers in respect of the 2018 financial year is made up of objectives set by the Company in relation to their duties as an employee.

1.4 Long-term incentive scheme

Long-term incentive schemes aim to encourage the creation of sustainable and profitable shareholder value and to align the interests of the executive corporate officers with those of the shareholders.

Further to a recommendation of the Appointments and Compensation Committee, the Supervisory Board decided to put in place such a long-term incentive scheme for the first time in the 2018 financial year, in the form of the allocation of performance shares in the framework of articles L. 225-197-1 *et seq.* of the French Commercial Code, and an authorisation for this purpose will be presented to the General Shareholders' Meeting on 5 June 2018.

Mediawan wishes to develop culture of employee shareholding, allowing employees to play a fundamental role in the development of the Company and its success. Allocations of performance shares will thus form a key component of the Company's compensation policy. Therefore, within the compensation structure, the weight of the "performance shares" component is significant and increases with the level of responsibility. For executive managers (*cadres dirigeants*), performance shares must represent the material part of total compensation (fixed + annual target variable portion + performance shares) so as to represent a major driver for the alignment with the interests of the shareholders.

As of the date hereof, no free grant of shares has been made to the members of the Management Board in their capacity as such.

1.4.1 Terms governing the grant of performance shares

These grants will take place at the same time each calendar year. Under exceptional circumstances, the Supervisory Board may, following an opinion of the Appointments and Compensation Committee, modify the grant schedule. In such a case, these modifications will be made public after the meeting of the Supervisory Board that approved them and will be referenced in the table included in the Annual Financial Report that summarises any recommendations of the AFEP-MEDEF Code that were not followed.

1.4.2 Limits on grants

Grants of performance shares to executive corporate officers must comply with the following caps:

- **Collective cap:** given the Company's current development phase, the Supervisory Board decided not to set a maximum percentage of performance shares that can be allocated to members of the Management Board as compared to the overall amount that may be granted to the other beneficiaries of free shares, as such a percentage is relevant only once performance shares have been allocated to a sufficient number of beneficiaries within the group;
- **Individual cap:** the Supervisory Board set a cap (applicable to all members of the Management Board) corresponding to 50% of the aggregate target compensation of all the members of the Management Board (i.e., the sum of fixed compensation, the annual target variable portion for the financial year, and the long-term incentive scheme valued in accordance with IFRS).

1.4.3 Conditions to be met in order to acquire performance shares

The definitive grant of the performance shares is entirely subject to the fulfilment of performance conditions measured over a period of at least three years, and compliance with a condition relating to presence within the Company:

- The selected performance criteria are aimed at guaranteeing the creation of sustainable and profitable shareholder value and aligning the interests of the beneficiaries with those of the shareholders. For this purpose, the following performance criteria have been adopted for all beneficiaries:

Criteria	Weight
Average annual EPS growth over the period	50%
TSR in comparison with the STOXX® Europe Media index	50%

- The condition of presence within the Company for at least three years is also included in order to guarantee beneficiaries' long-term commitment to the Company. This presence condition is waived in the event of retirement, invalidity, or death.

1.4.4 Holding commitment

In order to reinforce alignment with the interests of the shareholders, the Supervisory Board decided to apply a holding obligation to members of the Management Board lasting the entire term of their appointment and covering 60% of the performance shares that have been definitively acquired. This holding obligation ceases to apply once members permanently hold an aggregate number of shares (as and when shares are acquired and options exercised) equivalent to 1 year's benchmark monetary compensation (fixed compensation + target annual variable compensation). The benchmark monetary compensation used is that of the year during which the member of the Management Board intends to transfer the performance shares.

In accordance with the AFEP-MEDEF Code, the executive corporate officers have made a formal undertaking, up until the expiry of their term, to not have recourse to any risk hedging mechanism in respect of the shares allocated in the context of the long-term incentive schemes.

1.5 Exceptional compensation

The Supervisory Board has adopted the principle according to which members of the Management Board may benefit from exceptional compensation under extraordinary circumstances that will have to be disclosed and justified in detail. The payment of such compensation can only be made subject to shareholder approval, in accordance with article L. 225-37-2 of the French Commercial Code.

1.6 Company benefits

On the same basis as all other managers (*cadres*), members of the Management Board are entitled to collective benefits, healthcare and retirement schemes in force within the Company.

1.7 Benefits in kind

The executive corporate officers may be entitled to benefits in kind that are customary for corporate officers in groups and companies of a comparable size, in a reasonable aggregate amount. Members of the Management Board are also covered by a professional civil liability insurance policy covering all costs, charges, expenditures, losses or liability incurred in the context of their duties within the Company.

2. Summary of 2017 compensation

The following tables set out the history of compensation paid to members of the Management Board.

2.1 Mr. Pierre-Antoine Capton, Chairman of the Management Board

	FY 2016 (in euros)	FY 2017 (in euros)
Corporate office portion		
Fixed compensation	0	400,000
Variable compensation	0	800,000
Exceptional compensation	0	0
Employment contract portion		
Fixed compensation	n/a	n/a
Variable compensation	n/a	n/a
Exceptional compensation	n/a	n/a
Long-term incentive scheme		
Performance shares granted during the FY	n/a	n/a
Valorisation of the performance shares	n/a	n/a
Company benefits	Reasonable amount	Reasonable amount
Total	0	1,200,000

As a supplement to the summary table, the following table is provided in respect of Mr. Capton's variable compensation for the financial year ended 31 December 2017:

Weight	Nature	Amount realised
20%	Consolidated pre-tax turnover	160,000
20%	Consolidated EBITDA	160,000
10%	Operating cash-flow	80,000
25%	Eligible external growth transaction	200,000
25%	VWAP 30 days	200,000
100%		800,000

Other information concerning Mr. Pierre-Antoine Capton:

Employment agreement		Supplemental pension scheme		Amount paid under pension commitments	Compensation or benefits due or liable to become due upon leaving office		Indemnity under a non-compete clause	
Yes	No	Yes	No		Yes	No	Yes	No
	✓		✓	0		✓		✓

2.2 Mr. Guillaume Prot, member of the Management Board

Mr. Guillaume Prot resigned from his appointment as a member of the Management Board effective 10 April 2018.

	FY 2016 (in euros)	FY 2017 (in euros)
Corporate office portion		
Fixed compensation	0	45,000
Variable compensation	0	0
Exceptional compensation	0	0
Employment contract portion		
Fixed compensation	n/a	n/a
Variable compensation	n/a	n/a
Exceptional compensation	n/a	n/a
Long-term incentive scheme		
Performance shares granted during the FY	n/a	n/a
Valorisation of the performance shares	n/a	n/a
Company benefits	n/a	n/a
Total	0	45,000

Other information concerning Mr. Guillaume Prot:

Employment agreement		Supplemental pension scheme		Amount paid under pension commitments	Compensation or benefits due or liable to become due upon leaving office		Indemnity under a non-compete clause	
Yes	No	Yes	No		Yes	No	Yes	No
	✓		✓	0		✓		✓

2.3 Mr. Guillaume Izabel, member of the Management Board

Mr. Izabel was appointed as a member of the Management Board effective 10 April 2018. Consequently, no compensation was paid to him in respect of the financial year ended 31 December 2017 on this basis. The only compensation paid to him was paid under his employment agreement with respect to his position as Chief Financial Officer.

Other information concerning Mr. Izabel:

Employment agreement		Supplemental pension scheme		Amount paid under pension commitments	Compensation or benefits due or liable to become due upon leaving office		Indemnity under a non-compete clause	
Yes	No	Yes	No		Yes	No	Yes	No
✓			✓	0		✓		✓

3. Supervisory Board attendance fees

As recommended by the AFEP-MEDEF Code, the Supervisory Board has defined rules governing the distribution of attendance fees that takes into account capacity (Chairman of the Supervisory Board, Vice-Chairman of the Supervisory Board, chair or member of a committee, member of the Supervisory Board) and the regular attendance of each member at the meetings of the Supervisory Board and the various committees.

As a reminder, the general shareholders' meeting held on 29 June 2017 set the budget for attendance fees to be distributed by the Supervisory Board for the fiscal year ending 31 December 2017 at 300,000 euros. No attendance fees were distributed during the most recent financial year, as the Company did not comply with the provisions of French law no. 2011-103 of 27 January 2011 on the balanced representation of women and men on boards of directors and supervisory boards, and on professional equality under which the proportion of members of the Supervisory Board of each sex cannot be less than 40% in companies whose shares are admitted to trading on a regulated market.

In this regard, the Company intends to progressively comply with the provisions of this law. Thus, Ms. Giacaranda Caracciolo was appointed on a temporary basis as the replacement for Mr. Pierre Bergé as member of the Supervisory Board, and you are being asked to approve the appointment of Ms. Anne Le Lorier.

Further to a recommendation made by the Appointments and Compensation Committee, the Supervisory Board proposed to submit for your vote an increase of the aggregate amount of attendance fees from 300,000 euros to 340,000 euros, given the appointment of Ms. Anne Le Lorier as an additional member.

4. Compensation components and benefits of all kinds paid or granted to the corporate officers in respect of the most recently completed financial year (*ex post* vote)

The items set out below will be submitted to the next General Shareholders' Meeting for approval in an *ex post* vote:

4.1 Pierre-Antoine Capton, Chairman of the Management Board

Compensation components	Total or valorisation put to the vote	Presentation
Fixed compensation	400,000 euros (amount paid)	Compensation approved by the Supervisory Board on 17 May 2017 and approved by the General Shareholders' Meeting of 29 June 2017
Annual variable compensation	800,000 euros (amount to be paid once approved by the General Shareholders' Meeting)	<p>The variable portion for FY 2017 is comprised of the following items:</p> <ul style="list-style-type: none"> • 20% of the variable compensation if the group's consolidated pre-tax turnover is at least equal to that shown in the consolidated financial statements featured in the benchmark business plan, • 20% if realised EBITDA is at least equal to budget EBITDA, • 10% if operating cash-flow is at least equal to the amount forecast in the benchmark business plan, • 25% for the completion of any eligible external growth transaction, and • 25% if the 30-day VWAP for MDW shares is equal to 10.70 €. <p>These criteria were approved by the Supervisory Board further to recommendations of the Appointments and Compensation Committee and are considered as having been fulfilled for the past fiscal year.</p>
Exceptional compensation	0 Euros	No exceptional compensation
Stock options, performance shares and any other component of long-term compensation	Options 0 euros Performance shares 0 euros Other 0 euros	No options allocated to the Chairman of the Management Board No performance shares allocated to the Chairman of the Management Board No other long-term compensation allocated to the Chairman of the Management Board
Attendance Fees	0 euros	The Chairman of the Management Board does not receive any attendance fees from the Company or its subsidiaries
Benefits in kind of any nature	Reasonable aggregate amount	The Chairman of the Management Board receives those benefits in kind that are customary in companies of a comparable size (IT equipment, telephone equipment, travel costs, meal expenses, and professional civil liability insurance)

4.2 Guillaume Prot, member of the Management Board

Compensation components	Total or valorisation put to the vote	Presentation
Fixed compensation	45,000 euros (amount paid)	Compensation approved by the Supervisory Board on 17 May 2017 and approved by the general shareholders' meeting of 29 June 2017
Annual variable compensation	0 euros	No annual variable compensation
Exceptional compensation	0 euros	No exceptional compensation
Stock options, performance shares, and any other component of long-term compensation	Options 0 euros	No options allocated
	Performance shares 0 euros	No performance shares allocated
	Other 0 euros	No other long-term compensation allocated
Attendance fees	0 euros	Guillaume Prot does not receive attendance fees from the Company or its subsidiaries
Benefits in kind of any nature	n/a	Guillaume Prot benefits from professional civil liability insurance coverage

5. Principles and criteria used to determine, distribute, and allocate the items comprising the total compensation and benefits of all kinds available that may be attributed to the corporate officers on the basis of their appointments (*ex ante* vote)

5.1 Pierre-Antoine Capton, Chairman of the Management Board

These principles and criteria were adopted by the Supervisory Board further to a recommendation of the Appointments and Compensation Committee:

Fixed compensation

This is comprised of Pierre-Antoine Capton's basic compensation as revised by the Supervisory Board further to a recommendation of the Appointments and Compensation Committee on 10 April 2018. This compensation amounts to 450,000 euros for the financial year starting 1 January 2018, paid in 12 equal monthly instalments.

Annual variable compensation

This is comprised of Pierre-Antoine Capton's variable compensation as revised by the Supervisory Board further to a recommendation of the Appointments and Compensation Committee on 10 April 2018. This variable compensation may reach a maximum of 200% of his fixed compensation on the basis of the following criteria:

- 40% of the annual variable compensation calculated on the basis of pro forma turnover of the scope of consolidation corresponding to the announcements made to the market as compared to the turnover objective
- 40% of the annual variable compensation calculated on the basis of actual EBITDA as compared to budgeted EBITDA
- 20% of the annual variable compensation calculated on the basis of actual cash flow as compared to target cash flow.

Benefits in kind

Pierre-Antoine Capton receives those benefits in kind which are customary in companies of a comparable size (IT equipment, telephone equipment, travel costs, meal expenses, and professional civil liability insurance). On the same basis as all other managers (*cadres*), he also benefits from collective benefits, healthcare and retirement schemes in force within the Company.

Grants of free shares

The policy governing the allocation of free shares to members of the Management Board and notably to Pierre-Antoine Capton is described in section 1.4 of this document.

Exceptional compensation

The Supervisory Board may decide upon a proposal of the Appointments and Compensation Committee to grant exceptional compensation to Pierre-Antoine Capton in respect of any exceptional strategic transactions that could justify supplemental compensation.

5.2 Guillaume Prot, member of the Management Board

These principles and criteria were adopted by the Supervisory Board further to a recommendation of the Appointments and Compensation Committee, it being specified that these principles and criteria have been applied for the period running from 1 January 2018 to 10 April 2018 only, the date on which Mr. Guillaume Prot resigned from his duties as member of the Management Board:

Fixed compensation

This is comprised of Guillaume Prot's basic compensation as revised by the Supervisory Board further to a recommendation of the Appointments and Compensation Committee on 17 May 2017. This compensation totals 20,000 euros in respect of the financial year commencing 1 January 2018, i.e. four equal monthly instalments of 5,000 euros.

Annual variable compensation

Guillaume Prot does not benefit from annual variable compensation.

Benefits in kind

Guillaume Prot is entitled to professional civil liability insurance coverage.

Grants of free shares

No free shares of the Company have been granted to Guillaume Prot.

Exceptional compensation

The Supervisory Board may decide, upon a proposal of the Appointments and Compensation Committee, to grant exceptional compensation to Guillaume Prot in respect of any exceptional strategic transactions that could justify supplemental compensation.

5.3 Guillaume Izabel, member of the Management Board

These principles and criteria were adopted by the Supervisory Board further to a recommendation of the Appointments and Compensation Committee, it being specified that these principles and criteria will only apply to the period commencing 10 April 2018 (the date on which Mr. Guillaume Izabel was appointed as member of the Management Board):

Employment contract	Corporate office
Fixed compensation <p>This is comprised of Guillaume Izabel's basic compensation under his employment agreement in respect of his position as Chief Financial Officer, i.e., 200,000 euros for the financial year commencing 1 January 2018, paid in 12 monthly instalments.</p>	<p>This is comprised of Guillaume Izabel's basic compensation under his corporate office as member of the Management Board as set by the Supervisory Board, further to a recommendation of the Appointments and Compensation Committee dated 10 April 2018, i.e., 41,666.67 euros for the financial year commencing 1 January 2018, paid in nine monthly instalments (representing maximum fixed compensation of 60,000 euros in respect of a full financial year).</p>
Annual variable compensation <p>This is comprised of Guillaume Izabel's variable compensation under his employment agreement in respect of his position as Chief Financial Officer. This variable compensation may reach a maximum of 100% of the fixed compensation on the basis of criteria determined by the Company.</p>	<p>This is comprised of Guillaume Izabel's variable compensation under his corporate office as a member of the Management Board as set for the first time by the Supervisory Board, further to a recommendation of the Appointments and Compensation Committee dated 10 April 2018. This variable compensation may reach a maximum of 100% of the fixed compensation based on the following criteria:</p> <ul style="list-style-type: none">• 40% of the annual variable compensation calculated on the basis of pro forma turnover of the scope of consolidation corresponding to the announcements made to the market that was achieved, as compared to the target turnover• 40% of the annual variable compensation calculated on the basis of actual EBITDA as compared with budgeted EBITDA• 20% of the annual variable compensation determined on the basis of actual cash flow as compared with cash flow objectives

Benefits in kind

Guillaume Izabel benefits from those benefits in kind that are customary in companies of a comparable size (IT equipment, telephone equipment, travel costs, meal expenses, and professional civil liability insurance).

Grants of free shares

Guillaume Izabel has been allocated a total of 96,938 shares free of charge under his employment agreement, pursuant to a decision by the Management Board dated 29 September 2017, in two equal tranches of 48,469 shares. This free grant of shares was made subject to the following conditions:

- For tranche 1:
 - ✓ Vesting period: to 30 September 2019
 - ✓ Holding period: 1 year
 - ✓ Presence condition: yes
 - ✓ Performance condition: TSR as compared with the STOXX® Europe Media index
- For tranche 2:
 - ✓ Vesting period: to 30 September 2021
 - ✓ Holding period: 1 year
 - ✓ Presence condition: yes
 - ✓ Performance condition:
 - for 50% of the shares making up tranche 2: TSR as compared with the STOXX® Europe Media index
 - for 50% of the free shares granted that make up tranche 2: annual average growth in EPS over the period

The policy governing the allocation of shares at no cost to members of the Management Board and specifically to Guillaume Izabel is set out in section 1.4 above

Exceptional compensation

n/a

The Supervisory Board may decide, further to a proposal of the Appointments and Compensation Committee, to grant exceptional compensation to Guillaume Izabel in respect of any exceptional strategic transactions that could justify supplemental compensation.

5.4 Member of the Supervisory Board

As recommended by the AFEP-MEDEF Code of Corporate Governance, the Supervisory Board has defined rules governing the distribution and allocation of attendance fees that takes into account capacity (Chairman of the Supervisory Board, Vice-Chairman of the Supervisory Board, chair or member of a committee, member of the Supervisory Board) and the regular attendance of each member at the meetings of the Supervisory Board and the various committees.

The aggregate amount of attendance fees is set at 340,000 euros for the financial year commencing 1 January 2018 (amount submitted for the approval of the next General Shareholders' Meeting).

The members of the Supervisory Board do not receive any other form of compensation from the Company or its subsidiaries.

The Supervisory Board