

3.5. PRINCIPLES FOR REMUNERATION OF CORPORATE OFFICERS IN RESPECT OF 2023

Report on remuneration prepared in accordance with Article L. 22-10-8 of the French Commercial Code.

This remuneration policy was drafted on the basis of the information required by Article L. 22-10-8 of the French Commercial Code and is in line with the principles defined in the 2022 remuneration policy, while reflecting the changes in governance decided by the Board of Directors on 27 October 2022, acting on a recommendation from the Selection and Remuneration Committee.

At this meeting, the Board of Directors appointed Rodolphe Belmer as Chief Executive Officer, to succeed Gilles Pélisson, who resigned, and decided to temporarily split the roles of Chairman of the Board of Directors and Chief Executive Officer with Gilles Pélisson retaining his position as Chairman of the Board of Directors until the Board of Directors meeting of 13 February 2023.

Following the resignation of Gilles Pélisson as Chairman of the Board of Directors and as a Director, on 13 February 2023, the Board of Directors acted on the recommendation of the Selection and Remuneration Committee to co-opt Rodolphe Belmer as a Director, appointing him to the position of Chairman of the Board of Directors. Rodolphe Belmer subsequently became Chairman and Chief Executive Officer of the Company, effective from this date.

This remuneration policy was approved by the Board of Directors on 13 February 2023, acting on the recommendation of the Selection and Remuneration Committee. It is subject to approval by the General Meeting of Shareholders of 14 April 2023 within the framework of the 9th and 10th resolutions.

3.5.1. Remuneration policy for all Corporate Officers

General principles for determining, reviewing and implementing the remuneration policy for Corporate Officers

Determining the remuneration policy

This remuneration policy which is determined by the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, includes incentives.

Compliance

In its analysis and proposals to the Board of Directors, the Selection and Remuneration Committee oversees compliance with the recommendations of the AFEP/MEDEF Code to which the Company refers.

Comparability and balance between remuneration components

In determining the remuneration policy, the Board of Directors takes account of the level and difficulty of the responsibilities entrusted to the Corporate Officers, in line with the practices observed in groups conducting comparable activities, and ensures that the remuneration structure is balanced between the fixed and variable components as well as long-term remuneration. This remuneration policy is clearly motivated and determined to be consistent with corporate interests.

Consistency and comprehensibility of rules

Acting on the recommendations of the Selection and Remuneration Committee, the Board of Directors strives to implement an Executive Officer remuneration policy that is straightforward, comprehensible and consistent with the policy pertaining to the Group's senior executives and employees.

Completeness

The structure of the incentive-based remuneration breaks down as follows, in a way that is complete and consistent with corporate interests:

- fixed remuneration;
- annual variable remuneration;
- long-term remuneration;
- benefits in kind;
- supplementary pension;
- and remuneration for serving as a Director.

Corporate Officers are not paid any non-competition indemnity when they leave office.

Reviewing the remuneration policy

The Group's remuneration policy is regularly reviewed by the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, in compliance with the principles set out in the applicable legal provisions and the AFEP/MEDEF Code.

Each year, the Selection and Remuneration Committee proposes and controls the rules for determining the remuneration to be allocated to Corporate Officers, as well as benefits in kind made available to them, ensuring consistency with their performance assessment and the Group's medium-term strategy.

Implementing the remuneration policy

The Selection and Remuneration Committee reports on the work completed in line with its role as defined in the Board of Directors' Rules of Procedure and reported below.

The Board of Directors is responsible for determining the fixed and variable remuneration, benefits in kind and, where appropriate, the retirement conditions or indemnities allocated to the Corporate Officers.

The Board of Directors makes reasoned decisions:

- by acting on the recommendations of the Selection and Remuneration Committee;
- by making an overall assessment of remuneration for each Executive Officer;
- and by seeking the right balance between general interests, market practices and the executive's performance.

Decisions made by the Board of Directors comply with the recommendations provided by the AFEP/MEDEF Code and the AMF (French Financial Markets Authority).

Managing conflicts of interest

In an effort to prevent all conflicts of interest, at least one third of the Board of Directors is composed of Independent Directors. The Employee Representative Directors and the Employee Shareholder Representative Director are not counted in the calculation of this percentage.

The Directors' Code of Conduct, which is appended to the Board of Directors' Rules of Procedure stipulates various provisions on managing conflicts of interest.

For further information, see section 3.2.2 of this Universal Registration Document.

Role of Selection and Remuneration Committee

The Selection and Remuneration Committee plays a key role in determining reviewing and implementing the remuneration policy. The tasks of the Selection and Remuneration Committee comply with the recommendations of the AFEP/MEDEF Code.

For further information, see section 3.2.2 of this Universal Registration Document.

Assessment of performance criteria

The Selection and Remuneration Committee examines and assesses the rules for determining the variable portion awarded to Executive Officers on an annual basis.

To this end, the Committee uses objective, simple, transparent and exacting criteria to assess the performance criteria for determining both the annual variable component and the long-term remuneration awarded to Executive Officers. Such criteria are based on quantitative and qualitative performance criteria, and are fully aligned with the business plan trajectory.

Derogating from the remuneration policy

In the event of exceptional circumstances, the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, may, in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code, derogate from the implementation of the remuneration policy when such derogation is temporary, in line with corporate interests and necessary to ensure the Company's continuity or viability.

In particular, exceptional circumstances may result from an unforeseen change in the competitive environment, a change in accounting policy or a significant event affecting the markets, the economy and/or the Group's operating segment.

More generally, any such amendment shall be duly justified and strictly implemented. By necessity, it must ensure that the interests of shareholders and policy members remain aligned.

Acknowledgement of the final votes of shareholders

The Annual General Meeting of 14 April 2022 approved the sixth resolution (with 93.032% of votes in favour) concerning the information provided in Article L. 22-10-9 of the French Commercial Code and on the remuneration components paid or granted for the financial year ended 31 December 2021 to Corporate Officers.

This General Meeting also approved the 2022 remuneration policy (7th and 8th resolutions) for the Executive Officer and Directors, in addition to the fixed and variable components comprising the total remuneration and benefits paid or granted for the financial year ended 31 December 2021 to the Executive Officer (5th resolution).

Ensuring continuity in the remuneration policy

This remuneration policy was established by the Board of Directors on 13 February 2023 on the basis of the information required by Article L. 22-10-8 of the French Commercial Code. It ensures continuity with the principles defined in the 2022 remuneration policy.

Implementing the remuneration policy for newly-appointed Corporate Officers

In the event of a change in governance and the appointment of a new Executive Officer during the 2023 financial year, the principles, criteria and remuneration components set out in the 2023 remuneration policy would apply to him/her.

More specifically, in the event that a new Chief Executive Officer is appointed, the principles, criteria and remuneration components set out in the Chief Executive Officer's remuneration policy would apply.

3.5.2. Remuneration policy specific to each Corporate Officer

On 13 February 2023, the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, decided as follows, for the 2023 financial year, the criteria and methods for determining, distributing and awarding the fixed, variable and exceptional components of the total remuneration as well as benefits in kind for each Corporate Officer.

Gilles Pélisson and Rodolphe Belmer are bound by an employment contract with Bouygues SA which they respectively signed on 30 October 2015 and 3 October 2022 for an indefinite period.

The purpose of these employment contracts is to hold directorships in the executive management of Bouygues Group subsidiaries, particularly in the audiovisual sector.

In this respect, Gilles Pélisson was appointed Chairman and Chief Executive Officer of TF1 on 19 February 2016.

Following his resignation as Chief Executive Officer on 27 October 2022, Gilles Pélisson remained Chairman of the Board. He resigned from this position on 13 February 2023.

On 27 October 2022, the Board of Directors also appointed Rodolphe Belmer as Chief Executive Officer.

He was co-opted as Director and appointed as Chairman of the Board by the Board of Directors on 13 February 2023.

As such, Rodolphe Belmer has held the Chairman and Chief Executive Officer position since this date.

The Bouygues General Management Committee comprises executives of the parent company and executives of the business lines, including Rodolphe Belmer.

The remuneration components paid by Bouygues SA to TF1 Executive Officers are re-invoiced each year to TF1 group.

In the event of a split between the Chairman and Chief Executive Officer roles, the principles, criteria and remuneration components set out in the remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer would be adapted by the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, to take account of this change.

In the event that a new Chairman of the Board of Directors or a new Director is appointed, the applicable remuneration policy will be consistent with that applicable to the Chairman of the Board of Directors or the Directors respectively.

In any event, the Board of Directors, acting on the recommendation of the Selection and Remuneration Committee, may adapt the level and structure of remuneration to take account of the relevant individual's situation, experience and the responsibilities entrusted.

Remuneration policy for the Chairman of the Board of Directors

Term of office and employment contract

Gilles Pélisson was reappointed as Chairman and Chief Executive Officer by the Board of Directors on 14 April 2022.

Following his resignation as Chief Executive Officer on 27 October 2022, Gilles Pélisson remained Chairman of the Board. He resigned as Chairman of the Board of Directors on 13 February 2023.

On 13 February 2023, the Board of Directors co-opted Rodolphe Belmer as Director and appointed him Chairman of the Board of Directors. Rodolphe Belmer subsequently became Chairman and Chief Executive Officer, effective from this date.

Moreover, Gilles Pélisson and Rodolphe Belmer are bound by an employment contract with Bouygues SA.

Total remuneration and benefits in kind

The Chairman of the Board of Directors does not receive any specific remuneration in respect of this term of office.

Remuneration policy applicable to the Chief Executive Officer

General preliminary remarks

- The Board of Directors has not granted the Chief Executive Officer any entitlement to compensation for assumption, cessation or change of office, or for any non-competition undertaking in the event that he leaves the company.
- The total remuneration of the Executive Officer takes into account the existence of a capped supplementary pension.
- The principles governing Executive Officer remuneration were maintained for Rodolphe Belmer, identical to those applicable to Gilles Pélisson.

Role of the Board of Directors

The Board of Directors determines the criteria for awarding the variable portion of remuneration, and the overall amount of remuneration, to be paid to the Chief Executive Officer of TF1, acting on the recommendation of the Selection and Remuneration Committee, which takes into account AFEP/MEDEF recommendations on the remuneration of Executive Officers of listed companies.

The Board of Directors ensures that the Chief Executive Officer's remuneration is consistent with the Company's performance, such that it is consistent with corporate interests and the medium/long-term business strategy.

The Board considers three factors in order to determine remuneration. These criteria serve to maintain a link between the TF1 group's performance and Chief Executive Officer remuneration:

- the Group's performance: the Board took the view that the remuneration should be commensurate with the work done and outcomes achieved in a highly complex economic, regulatory and competitive environment;
- stock market performance: the remuneration was considered in light of the Company's performance on the stock market, in particular trends in its average share price;
- sector and intra-Group comparisons: the remuneration is benchmarked against that awarded to other media sector executives in France and the rest of Europe, and is based on rules that are applied consistently across the Bouygues group's business lines.

This remuneration and the associated social security charges are paid to the Chief Executive Officer by Bouygues (which employs him) and then re-invoiced to TF1. Each year, the TF1 Board of Directors authorises the re-invoicing of this remuneration.

Term of office and employment contract

Following the resignation of Gilles Pélisson as Chief Executive Officer, on 27 October 2022, the Board of Directors appointed Rodolphe Belmer as Chief Executive Officer, effective from this date until the Board of Directors meeting of 13 February 2023. On 13 February 2023, the Board of Directors reappointed Rodolphe Belmer as Chief Executive Officer for the period of his term of office as a Director, *i.e.*, until the end of the General Meeting called, in 2025, to approve the financial statements for the 2024 financial year.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

Rodolphe Belmer is bound by an employment contract with Bouygues SA.

Total remuneration and benefits in kind

Fixed remuneration

The Executive Officer's fixed remuneration is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 22-10-17 of the French Commercial Code, following a recommendation made by the Selection and Remuneration Committee. Fixed remuneration is determined in line with the general interests of the Company, and takes into account the following factors:

- the level and difficulty of the Executive Officer's responsibilities;
- his experience in the post;
- his length of service with the Group;
- practices followed by the Group or by companies conducting comparable businesses.

Fixed remuneration amounted to €920,000.

Benefits in kind

Benefits in kind consist of the use of a company car. A predetermined number of hours of tax advisory services is also allocated as well as employer funding of part of the contributions to a supplementary pension scheme.

Annual variable remuneration

General policy on variable remuneration

The Board of Directors determines the criteria governing variable remuneration, in line with the AFEP/MEDEF recommendations. In consultation with the Selection and Remuneration Committee, the Board ensures that the variable remuneration of the Chief Executive Officer is consistent with the Company's performance goals, such that it is consistent with corporate interests and the medium/long-term business strategy. The variable component is an integral part of the Chief Executive Officer's remuneration.

General description of the method used to determine the Chief Executive Officer's variable remuneration

An objective is defined for each criterion.

These objectives are precisely defined, referring to the Company's three-year business plan. They are not disclosed for confidentiality reasons.

When the objective is attained, a bonus corresponding to a percentage of the fixed remuneration is granted. If all six objectives are attained, the total of the six bonuses is equal to the 170% cap applicable to the variable remuneration of the Chief Executive Officer.

Variable remuneration for 2023 is based on the result calculated according to three pre-defined "thresholds" for each of the corresponding criteria. The result of each bonus is adjusted on a straight-line basis (see weighting applied to each criterion using the three limits below). As a result, if just one objective is not attained, it is impossible to award the maximum variable remuneration (170%). No deferred annual variable remuneration is awarded to the Executive Officer.

The six criteria used to determine the variable portion

Acting on the recommendation of the Selection and Remuneration Committee, since 2010, the Board has attached greater weight to qualitative criteria in the case of the Executive Officer, on the grounds that their performance must be measured by more than just financial results.

In consultation with the Selection and Remuneration Committee, the Board ensures that the variable remuneration of the Chief Executive Officer is consistent with the Company's performance goals, such that it is consistent with corporate interests and the medium/long-term business strategy. It may not exceed 170% of fixed remuneration, *i.e.*, it is capped at €1,564,000. Annual variable remuneration would be determined by applying six criteria, five of which refer to the first year of a three-year business plan. This makes it possible for the Executive Officer to receive six variable components: P1, P2, P3, P4, P5 and P6.

- P1: Actual free cash flow⁽¹⁾ of TF1 for the financial year/Objective;
- P2: Actual net cash position/net debt of the P2 group for the financial year/Objective;
- P3: Actual current operating margin of the P3 group for the financial year/Objective;
- P4: Actual consolidated net profit (CNP)⁽²⁾ of TF1 for the financial year/Objective;
- P5: Deleveraging strategy: net debt (ND)⁽³⁾ Business line;
- P6: Three extra-financial criteria:
 - Compliance (communicating and raising awareness on compliance, involvement in compliance programmes): weighted 10%;
 - Social and environmental responsibility (comprising i) a health and safety criterion linked to a decrease in the frequency of work-related accidents, ii) an environmental criterion, in line with the Group's CO₂ emissions reduction target to be verified by the SBTi (Science Based Targets initiative), as well as internal training and raising awareness on environmental transition issues, and iii) a women representation in management criterion): weighted 15%;
 - Managerial performance (policies against harassment, employee engagement, communication and social relations, of which remote working agreements and crisis management): weighted 10%.

The method for determining the annual variable remuneration of the Chief Executive Officer is based on six separate criteria – P1, P2, P3, P4, P5 and P6 – defined above. Variable remuneration for 2023 is based on the result calculated according to three pre-defined “thresholds” for each of the criteria.

(FR: fixed remuneration)

P1, P2, P3, P4 and P5

The variable portion awarded (P1, P2, P3, P4 and P5) reflects the actual performance achieved during the financial year. It is expressed as a percentage of fixed remuneration (% of FR). Three thresholds are set for each criterion:

- A “lower” threshold that determines the threshold for triggering the bonus;
- An “intermediate” threshold, corresponding to the expected results in 2023;
- An “upper” threshold for overperformance in excess of the financial goals of the intermediate threshold.

Each variable portion (P1, P2, P3, P4 and P5) is calculated as follows:

1. If the lower threshold is met:

- P1 = 10 to 20% of FR;
- P2 = 10 to 20% of FR;
- P3 = 15 to 30% of FR;
- P4 = 10 to 20% of FR;
- P5 = 7.5 to 15% of FR.

2. If the intermediate threshold is met:

- P1 = 20% of FR;
- P2 = 20% of FR;
- P3 = 30% of FR;
- P4 = 20% of FR;
- P5 = 15% of FR.

3. If the upper threshold is met:

- P1 = 20 to 30% of FR;
- P2 = 20 to 25% of FR;
- P3 = 30 to 35% of FR;
- P4 = 20 to 25% of FR;
- P5 = 15% of FR.

Between these thresholds, the weight of each bonus is adjusted on a straight-line basis. If the lower threshold is not met, P=0.

P6

For this bonus, the Board of Directors assesses the attainment of the indicator, without exceeding the 40% cap of fixed remuneration (FR).

Long-term remuneration

Because the Chief Executive Officer holds an employment contract with Bouygues SA, he may be awarded long-term remuneration in the form of a deferred and conditional allocation of Bouygues shares, the three main components of which, in terms of performance conditions, are: Bouygues ROCE, Bouygues and TF1 TSR (Total Share Return), and CSR conditions (climate and gender balance).

Exceptional remuneration

In exceptional circumstances, the Board of Directors reserves the right, acting on the recommendation of the Selection and Remuneration Committee, to award an exceptional bonus, in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code.

(1) Free cash flow before changes in operating working capital relating to operating activities and to non-current assets used in operations. This indicator is adjusted to eliminate exceptional items.

(2) This indicator is adjusted to eliminate exceptional items.

(3) Net cash position.

Remuneration of Corporate Officers

Owing to his term of office as a Director, the Chief Executive Officer receives remuneration paid by TF1 (see 3.5.3 "Remuneration policy applicable to Directors").

Stock options and performance shares

Since the Chief Executive Officer holds a contract of employment with Bouygues SA, the Bouygues Board of Directors may award him options giving entitlement to subscribe for new Bouygues shares.

Indemnities or benefits for assumption, cessation or change of office

A termination benefit may be paid in respect of salaried positions within the Group, excluding any period of service as a Corporate Officer, in accordance with the French Labour Code and the national collective bargaining agreement applied by the Company in question. Corporate Officers are not paid any non-competition indemnity when they leave office.

Supplementary pension

Vested-rights pension scheme governed by Article L. 137-11-2 of the French Social Security Code (rights for periods of employment subsequent to 1 January 2020)

Given the closure of and the freezing of contingent rights under defined-benefit pension schemes governed by Article L. 137-11 of the French Social Security Code, the Bouygues group Board meetings of 13 November 2019 and 19 February 2020 decided (acting on a proposal from the Selection and Remuneration Committee) to introduce a new vested-rights pension scheme in compliance with currently applicable legislation (Article L. 137-11-2 of the French Social Security Code). The new scheme enables members of the Bouygues Management Committee who have not reached the cap adopted by the Board to accumulate pension rights for periods of employment subsequent to 1 January 2020 such that they will receive the same pension rights (0.92% a year) as under the previous scheme in place within Bouygues, subject to fulfilment of the performance conditions described below.

In accordance with the new regulations, pension rights will vest annually and will no longer be subject to the individual still being with the Company at retirement.

This scheme has the following characteristics:

1. Condition to join the scheme: be a member of the Bouygues General Management Committee;
2. Reference salary: gross annual fixed remuneration plus gross annual variable remuneration;
3. Frequency of vesting of rights: annual;
4. Annual cap on vested pension rights: 0.92% of the reference salary;

5. Overall cap: 8x the annual social security ceiling (cap of €351,936 in 2023);
6. Overall cap on vested rights under all schemes governed by Article L. 137-11-2 of the French Social Security Code: 30 points;
7. Funding is contracted out to an insurance company to which an annual contribution is paid;
8. Performance conditions:

Financial year 2023: Objective = that the average of the TF1 group's consolidated net profit figures for the 2023 financial year and for the 2022 and 2021 financial years ("Average CNP") is no more than 10% below the average of the consolidated net profit figures specified in the 2023 business plan and in the business plans for the 2022 and 2021 financial years.

Terms for determining the vesting of pension rights based on performance:

- If the Average CNP is above or equal to the average of the consolidated net profit figures specified in the 2023 business plan and in the business plans for the 2022 and 2021 financial years: annual pension rights = 0.92% of the reference salary;
- If the Average CNP is more than 10% below the average of the consolidated net profit figures specified in the 2023 business plan and in the business plans for the 2022 and 2021 financial years: annual pension rights = 0.

Between these lower and upper limits, the awarded pension rights are adjusted on a straight-line basis from 0 to 0.92% of the reference salary.

The Chief Executive Officer is eligible for this pension scheme and can vest rights (0.92% of the reference salary per year) which is conditional upon the achievement of the above performance conditions.

The amount of pensions paid under the pension schemes covered by Articles L. 137-11 (contingent-rights scheme) and L. 137-11-2 (vested-rights scheme) of the French Social Security Code in force within the Company is limited to eight times the annual social security ceiling (€351,936 in 2023).

Supplementary share-based pension

In addition to, and on the basis of vesting principles identical to those of the supplementary pension governed by Article L. 137-11-2 of the French Social Security Code, a supplementary share-based pension scheme is envisaged, based on a pension entitlement greater than eight times the annual social security ceiling and capped at fourteen times the annual social security ceiling (€615,888 in 2023).

This scheme applies to the member of the vested-rights scheme governed by Article L. 137-11-2 of the French Social Security Code, providing it has reached the cap set by the Board of Directors of Bouygues (eight times the annual social security ceiling) for defined benefit pension plans applicable within the Group.

The Chief Executive Officer is not eligible for this pension scheme.

3.5.3. Remuneration policy applicable to Directors

Term of office and employment contract

The term of office of the Directors is three years, except for that of Employee Representative Directors, which lasts two years (subject to the adoption of the 25th resolution by the General Meeting of 14 April 2023, the term of office for Employee Representative Directors will increase from two to three years, effective from 2024).

The Directors are presented in further detail in section 3.1 (Corporate governance statement).

Directors may be dismissed at any time by the Ordinary General Meeting. As an exception to the above, Employee Representative Directors may only be dismissed for misconduct in the exercise of their term of office.

The duties of any Employee Representative Director shall automatically expire ahead of schedule if the employment contract is terminated (subject to intra-group transfers) or if the TF1 group exits the company employing the Director in question.

Remuneration

The Annual General Meeting of 23 April 2003 set the total amount of remuneration of Corporate Officers for serving as Directors at €350,000 annually, leaving it to the Board of Directors to determine how this amount should be allocated.

Directors receive remuneration, the amount of which is decided by the Board of Directors, within the limits of the overall budget and the principles set by the Board, based on their attendance and the time they spend on performing their roles, including, where appropriate, within the Committee or Committees introduced by the Board.

Acting on the recommendation of the Selection and Remuneration Committee, on 10 February 2021, the Board of Directors reassessed the amount of remuneration awarded to the Directors (initially set by the Board of Directors on 17 April 2007 and, for members of the Audit Committee, by the Board of Directors on 15 February 2012) so as to align it with the practices adopted by comparable companies.

The terms for allocating remuneration, as amended by the Board of Directors on 10 February 2021, and effective from 1 April 2021, are as follows:

- maximum remuneration allocated to each Director: €21,000 a year;
- maximum remuneration allocated to each Audit Committee member: €12,000 a year;
- maximum remuneration allocated to each Selection and Remuneration Committee: €7,000 a year;
- maximum remuneration allocated to each Ethics, CSR and Patronage Committee member: €7,000 a year;
- additional remuneration allocated to the Chair of each of the three committees; €3,000 a year.

Remuneration breaks down into a fixed component of 30% with a variable component of 70% calculated on a pro rata basis for attendance at the five regular annual meetings of the Board and, for members of the Committees, at the meetings of the Committee or relevant Committees.

Employee Representative Directors and Employee Shareholder Representative Director

As part of their employment contracts within the Group, Employee Representative Directors and the Employee Shareholder Representative Director receive a salary that is not tied to the exercise of their term of office in the Company.

As such, these salaries are not disclosed.