

RTL Group - Remuneration Policy

The Remuneration Policy describes the principles and policies that determine the composition and level of remuneration of the non-executive directors (the “**Non-Executive Directors**”), the CEO and deputy CEO (the “**Executive Directors**”) of RTL Group S.A. (“**RTL Group**”), all together the “**Directors**”.

The principles and policies governing the remuneration for Non-Executive and Executive Directors address the following topics:

- the way in which the Remuneration Policy contributes to the strategy and long-term interests, performance and sustainability of RTL Group;
- a description of the different fixed and variable remuneration components which can be awarded to Non-Executive Directors and Executive Directors and their respective relative proportion in the total remuneration package;
- the way the pay and employment conditions of employees were taken into account when establishing the Remuneration Policy; and
- the guiding principles for the appointment of Non-Executive and Executive Directors and the applicable end-of-relationship terms.

1 Scope of application

- 1.1 The Remuneration Policy applies to Non-Executive Directors as well as to Executive Directors.
- 1.2 The Remuneration Policy applies as from 1st January 2020. The Remuneration Policy will be submitted to the annual shareholders’ meeting to be held prior to 30 June 2020. Subsequently the Remuneration Policy will be submitted from time to time to the shareholders’ meeting for approval whenever a material change shall be made to the policy and, in any case, at least every four years.

2 Governance – procedure

- 2.1 The **Nomination and Compensation Committee** shall establish RTL Group’s Remuneration Policy applicable to Non-Executive Directors and Executive Directors, which will be submitted to the Board of Directors for approval.

In this context the main role of the Nomination and Compensation Committee is to guide the Board of Directors with respect to all its decisions relating to the Remuneration Policy and on the Directors’ individual remuneration packages. The Nomination and Compensation Committee ensures that (i) RTL Group establishes a fair remuneration policy for its Non-Executive Directors and Executive Directors compatible with the long-term interest of RTL Group, (ii) Executive Directors are incentivized to achieve the company’s goals and are compensated for their performance and that (iii) the Remuneration Policy promotes the long-term sustainability of RTL Group.

- 2.2** The **Board of Directors** verifies and approves the Remuneration Policy submitted by the Nomination and Compensation Committee.
- 2.3** In addition, the Remuneration Policy is submitted to the vote of the general meeting of shareholders as follows:
- 2.3.1** initially, the first Remuneration Policy shall be submitted to the **annual shareholders' meeting ("AGM")**; and
- 2.3.2** subsequently, the Remuneration Policy is submitted from time to time to the shareholders' meeting whenever a material change shall be made to the policy and in any case every four years.

The vote of the general meeting of shareholders on the Remuneration Policy is advisory.

In the case the shareholders' meeting rejects the proposed Remuneration Policy, the Board shall submit a revised policy to a vote at the following general shareholders' meeting. The revised Remuneration Policy shall describe and explain all significant changes when compared with the version proposed first, and how these take into account the votes and address the views of the shareholders on the Remuneration Policy since the latest vote by the general meeting of shareholders on the Remuneration Policy.

In addition, pursuant to RTL Group's articles of association, the general meeting of shareholders approves every year the total amount of directors' fees granted to the Non-Executive Directors.

- 2.4** After the vote on the Remuneration Policy, such Policy is published without delay together with the date and the results of the vote on the website of RTL Group and remains publicly available, free of charge, at least as long as it is applicable.
- 2.5** **Conflicts of interests** are addressed according to the corporate governance charter in force at RTL Group. In relation to any transaction submitted for approval to the Board of directors or to any committee of the Board of Directors where personal interests of a director may conflict with the Company's interest, such concerned director shall notify the Board of directors or any committee of the Board of Directors and shall not participate in any related discussion nor vote of the Board of Directors nor of any committee of the Board of Directors, and the related decision shall be taken by simple majority of the voting directors.

In addition, to avoid conflict of interests within the Nomination and Compensation Committee, such Committee shall be composed of at least three Non-Executive Directors, one of them being an independent director.

3 Remuneration policy for Non-Executive Directors

- 3.1** In order to achieve its goals, RTL Group must be able to attract a broad spectrum of competencies, skills, know-how and experience to its Board, mirroring RTL Group's diverse businesses. Furthermore, the composition of the Board of Directors needs to embody a thorough knowledge of the business dynamics and markets in the sectors of audio-visual media, communication, information and all related technologies.
- 3.2** Non-Executive Directors are not employees of RTL Group. They do not have a service contract with RTL Group and are only bound to RTL Group by a non-written social mandate.
- 3.3** Non-Executive Directors are appointed by the general meeting of shareholders for a term not exceeding six years. They are eligible for reappointment and may be removed at any

time by the general meeting of shareholders with or without cause. No termination indemnity is contractually due in case of termination of their mandate.

- 3.4** Non-Executive Directors are paid only a fixed remuneration. Due to the greater responsibility and time engagement required by their respective functions, an additional yearly remuneration is granted to the Chairman and the Vice-Chairman of the Board, and to the Chairmen of the Board's sub-committees.

The Board of Directors may grant additional remuneration or indemnities to those Board members who are entrusted with specific duties or missions.

They shall not receive incentive or other form of variable compensation from RTL Group.

In order to ensure alignment with market practice, the remuneration of Non-Executive Directors is reviewed, from time to time, against benchmarks with peer companies.

4 Remuneration policy for Executive Directors

- 4.1** The Remuneration Policy for Executive Directors is decided by the Nomination and Compensation Committee and submitted to the Board of Directors for approval.

- 4.2** The Remuneration Policy for Executive Directors is designed to support RTL Group's high-performance culture and the creation of long-term sustainable value for its shareholders. The goal of the policy is (i) to reward Executive Directors with an attractive compensation, in line with the market, which is conditional upon both the overall success of RTL Group and individual performance and (ii) to attract and retain the best talent. As a result of the general principles outlined above, the proportion of performance-related pay is generally higher for the Executive Directors than for lower ranking executives in the Group

- 4.3** When determining the remuneration of the Executive Directors, the Nomination and Compensation Committee shall:

- 4.3.1** evaluate and review, from time to time, the appropriate market positioning of the rewards offered to the Executive Directors compared with the relevant benchmarks;
- 4.3.2** determine the individual compensation levels of the Executive Directors taking into consideration their role and contribution to the business;
- 4.3.3** evaluate and determine the appropriate pay components;
- 4.3.4** set and review on a yearly basis, the financial targets for the performance-based remuneration components.

- 4.4** The Board of Directors evaluates the effectiveness of the Remuneration Policy for Executive Directors from time to time. As and when needed, the Board of Directors may call upon the help of reputable external compensation consultants to assist them in this task. Any material changes to the remuneration policy are submitted to the advisory vote of the general shareholders' meeting.

- 4.5** Executive Directors are compensated in line with their responsibilities, and according to both their own and the company's performance.

- 4.6** RTL Group aspires to be the preferred company for its customers, employees and investors, as well as to be a socially responsible employer.

In order to attract, motivate and retain talent committed to these overarching goals, the Remuneration Policy follows some guiding principles:

- 4.6.1 reward the successful implementation of the company's strategy, by linking a significant portion of the remuneration to the achievement of financial goals consistent with the strategy;
 - 4.6.2 reward performance by linking a significant portion of the remuneration to both individual and collective targets;
 - 4.6.3 align the pay practices with relevant market practices.
- 4.7 The total compensation of Executive Directors consists of:
 - 4.7.1 a fixed compensation component (i.e. the base salary).
 - 4.7.2 variable compensation components which include an annual bonus (short-term incentive plan, "STIP") and a long-term incentive plan ("LTIP"). The maximum potential amount payable under the variable compensation is larger than the fixed remuneration.
 - 4.7.3 Benefits consistent with market practices.
- 4.8 Fixed remuneration (i.e. base salary)

The base salary for Executive Directors is within a competitive range of the median base salary for comparable positions in their peer group. The salary reflects the individual's position, scope of responsibility, experience and contribution to the business. Base salary levels are generally reviewed every three years, and their development depends on the individual's performance and salary level in relation to the external benchmarks.
- 4.9 Board attendance fees

RTL Group does not pay any attendance fees to its Executive Directors. As a result, the Executive Directors receive board attendance fees only from other Group entities.
- 4.10 Variable remuneration: annual short-term incentive plan (STIP) and long-term incentive plan (LTIP)
 - 4.10.1 STIP

The Executive Directors are eligible to a STIP which is capped at an amount stipulated in the employment contract.

The STIP pay-out is linked to the achievement of three sets of targets, as set out in the Executive Directors' bonus agreements:

 - Financial targets;

This target is weighted higher than the business and leadership targets. Its calibration (e.g. EBITA, invested capital) is defined by the Nomination and Compensation Committee on an annual basis.

 - Business targets;
 - Leadership targets.

The amount due under the STIP is paid in April of the following year.
 - 4.10.2 LTIP

RTL Group offers to its Executive Directors an LTIP which aims at rewarding them for entrepreneurial performance, at retaining key executives and at aligning management's with

shareholders' interests. The performance targets of the LTIP have been approved by the Nomination and Compensation Committee of RTL Group and are based on financial metrics such as RTL Group's Value Added ("RVA") or EBITA.

The LTIP in force for the period 2017 to 2019 has the following features:

- The metric used in the plan is RVA.
- The plan lasts for three years (N, N+1, N+2).
- The performance is measured using cumulated targets over N, N+1 and N+2.
- The vesting of the LTIP occurs at the end of the term (i.e. N+2).
- The payment occurs in N+3 (see below)..
- The reward basis is the actual average cash compensation paid during the term
- The total maximum pay-out under the LTIP equals the reward basis multiplied by 1.5, multiplied by the participation rate, prorated by the length of participation in the plan.
- The actual pay-out amount equals the total maximum pay-out multiplied by the achievement rate.

The amount due under the LTIP in force for the period 2017 to 2019 is paid after the end of the term, within 90 days from the later date of (i) the approval by RTL Group's shareholders of the financial statements of RTL Group for the previous year, (ii) the approval by the Business Unit's shareholders of the financial statements of the Business Unit for the previous year, and (iii) the payment of the individual yearly bonuses (STIPs), if applicable, related to the previous year.

RTL Group's LTIP for the period 2020 to 2022 has the following features:

- The metric used in the plan is EBITA.
- The plan lasts for three years (N, N+1, N+2).
- The performance is measured based on yearly targets defined year-on-year.
- The vesting of the LTIP occurs at the end of the term (i.e. N+2).
- The payment occurs in N+3 (see below).
- The reward basis is the annual contractual maximum cash compensation.
- The maximum annual amount under the LTIP equals the reward basis multiplied by one third, multiplied by 1.5, multiplied by the participation rate.
- The total maximum amount over the three years of the plan corresponds to the sum of the maximum annual amounts, taking into account the length of participation in the plan.
- The actual annual LTIP amount equals the total maximum annual amount multiplied by the achievement rate; such resulting amount is accrued for deferred payment at the end of the LTIP term, subject to the terms and conditions of the plan.

The amount due under the LTIP in force for the period 2020 to 2022 is paid after the end of the term, within 90 days from the later date of (i) the approval by RTL Group's shareholders of the financial statements of RTL Group for the previous year, (ii) the approval by the Business Unit's shareholders of the financial statements of the Business Unit for the previous

year, and (iii) the payment of the individual yearly bonuses (STIPs), if applicable, related to the previous year.

4.11 Complementary pension plan

The pension plan is granted to all employees of RTL Group and currently is a defined benefit plan which also covers death and invalidity risks and is linked to (i) base salary (i.e. fixed salary, all benefits excluded), (ii) years of service, and (iii) legal pension entitlements. The employer accrues the reserves on its balance sheet on a yearly basis.

The Company may introduce an alternative defined contribution plan, to be granted to all employees of RTL Group hired after the implementation of such plan and also open as an alternative to the existing Defined Benefit Plan to staff employed prior to such implementation.

4.12 Benefits

In addition, the Executive Directors may be entitled to receive the following benefits, which will be part of the fixed remuneration:

4.12.1 accident insurance, which covers both death and disability

4.12.2 health benefits

4.12.3 a company car (financed via a car allowance),

4.12.4 a contribution of approximately 50% by RTL Group to meals served in the company's canteen

5 Contractual aspects

The rights and obligations related to the office of CEO and deputy CEO at RTL Group are formalized in a contract of indefinite duration.

These contracts generally include the principle terms of office as well as clauses covering the protection of intellectual property of RTL Group, confidentiality (both during and after employment) regarding information to which they have access, as well as termination and non-compete provisions.

The CEO and the Deputy CEO's employment contracts may include, from time to time, termination indemnities which can represent up to 24 months of salary, depending on the length of service. Such amount may include the legal indemnities due in case of termination.

A post-contractual non-competition clause is generally agreed for Executive Directors covering a period of time following the termination of the employment contract. The Company may offer financial compensation in the context of the non-competition clause for the close period.

6 Derogation procedure (if any)

In exceptional circumstances, RTL Group may temporarily derogate from of the Remuneration Policy. These exceptional circumstances cover situations in which the derogation from the Remuneration policy is necessary to serve the long-term interests and sustainability of RTL Group as a whole or to assure its viability.

Such derogation however requires the prior approval of the Nomination and Compensation Committee. The Remuneration Report relating to the relevant financial year will include information on any derogation, including its justification.