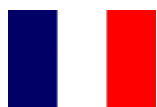


| | | | | | |
|--------------------------|--|--------------|-----|--------------------|---|
| Meeting Date: | Tue, 06 May 2014 16:00pm | Type: | AGM | Issue date: | Thu, 24 Apr 2014 |
| Meeting Location: | Salle Wagram, 39 avenue de Wagram, Paris (17ème) | | | |  |
| Current Indices: | FTSE EuroFirst | | | | |
| Sector: | Clothing & Accessories | | | | |

| PROPOSALS | ADVICE |
|--|---------------|
| <p>O.1 Approval of the annual corporate financial statements for the 2013 financial year The financial statements were made available to shareholders sufficiently before the meeting. Acceptable proposal.</p> | For |
| <p>O.2 Approval of the consolidated financial statements for the 2013 financial year The consolidated financial statements were made available to shareholders sufficiently before the meeting. Acceptable proposal.</p> | For |
| <p>O.3 Allocation of income and dividend The Board of Directors recommends a final dividend of EUR 2.25 per share, making total dividends EUR 3.75. The dividend is covered by earnings. Acceptable proposal.</p> | For |
| <p>O.4 Agreements pursuant to Articles L.225-38 et seq. of the Commercial Code There were no new agreements entered into during the year. However, one previously agreed transaction is highlighted. The company has incurred a one time expense from the admission of shares of Groupe FNAC to trading. Shareholder approval was sought at the previous AGM to distribute these shares to shareholders in ratio to their holdings. Groupe Fnac was spun off from the Group, as part of a new strategy. The flotation of Groupe Fnac was implemented through the distribution of an additional in-kind dividend in the form of Groupe Fnac shares to the Company's shareholders and the simultaneous listing of Groupe Fnac shares on the regulated market of NYSE Euronext Paris. No concerns have been identified. Acceptable proposal.</p> | For |
| <p>O.5 Elect Daniela Riccardi Independent Non-Executive Director.</p> | For |
| <p>O.6 Re-elect Laurence Boone Independent Non-Executive Director.</p> | For |
| <p>O.7 Re-elect Yseulys Costes Non-Executive Director. Independent by the Company, but not considered to be independent as he has business links with the company. There is insufficient independent representation on the Board.</p> | Oppose |
| <p>O.8 Setting the amount of attendance allowances to be allocated to the Board of Directors It is proposed to increase the fees which can be paid to Directors from EUR 809,000 to EUR 877,000. The Company has instituted a new fee system which links the amount of fees received with attendance of meetings. The proposal is considered acceptable.</p> | For |
| <p>O.9 Review of the compensation owed or paid to Mr. Francois-Henri Pinault, President and CEO during the 2013 financial year The Board proposes an advisory vote on the Chairman & Chief Executive Officer's remuneration package. The annual bonus is based on recurring income and free cash flow and has a maximum amount of 180% of base salary. No specific targets are disclosed. Actual payout during the year was 93.9% of base salary. The Company has a new long term incentive. A grant equal to 70% of base salary was made under the year. No performance shares under the previous LTIP vested during the year as the performance conditions were not met. Based on the lack of disclosure of performance targets and concerns over potentially excessive remuneration, Triodos does not support this resolution.</p> | Oppose |

| | | |
|-------------|---|---------------|
| O.10 | Review of the compensation owed or paid to Mr. Jean-Francois Palus, Managing Director during the 2013 financial year | Oppose |
| | The Board proposes an advisory vote on the Managing Director's remuneration package. The annual bonus is based on recurring income and free cash flow and has a maximum amount of 150% of base salary. No specific targets are disclosed. Actual payout during the year was 111.5% of base salary. The Company has a new long term incentive, approved in the previous year. A grant equal to 70% of base salary was made under the year. There are concerns that the Company has agreed to pay him a housing allowance of GBP 900,000 for the next three years, which is approximately 90% of his salary. Based on the lack of disclosure of performance targets and concerns over potentially excessive remuneration, Triodos does not support this resolution. | |
| O.11 | Appoint the auditors | Oppose |
| | Deloitte proposed. Non-audit fees were over 100% of audit fees during the year under review and on a three year aggregate basis. This level of non-audit fees gives rise to concerns over the independence of the auditors. Triodos does not support this resolution. | |
| O.12 | Appoint BEAS as deputy Statutory Auditor | For |
| | BEAS proposed. No fees were paid during the year under review or on a three year aggregate basis. Acceptable proposal. | |
| O.13 | Authorization to trade in Company's shares | For |
| | Authority limited to 10% of the share capital and can not be used during times of public offer. Acceptable proposal. | |
| E.14 | Amend Articles: Article 10 | For |
| | Following changes in French legislation, it is proposed to amend the Articles to provide for the manner in which an employee representative will be appointed to the Board. The first employee representative will be appointed by the Company's own trade union. The second representative, if there is one, will be appointed by the EU Works Council. The number of employee representatives is related to the board size. Acceptable proposal. | |
| E.15 | Powers to carry out all legal formalities | For |
| | Standard proposal. | |
| | * = <i>Special resolution</i> | |

For Private Circulation only

©Copyright 2014 PIRC Ltd

Researcher: Mariah Miller
Email: pircresearch@pirc.co.uk

Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.



Pensions & Investment Research Consultants Limited
6th Floor
9 Prescott Street
London E1 8AZ

Tel: 020 7247 2323
Fax: 020 7247 2457
<http://www.pirc.co.uk>

Regulated by the Financial Conduct Authority
Version 2