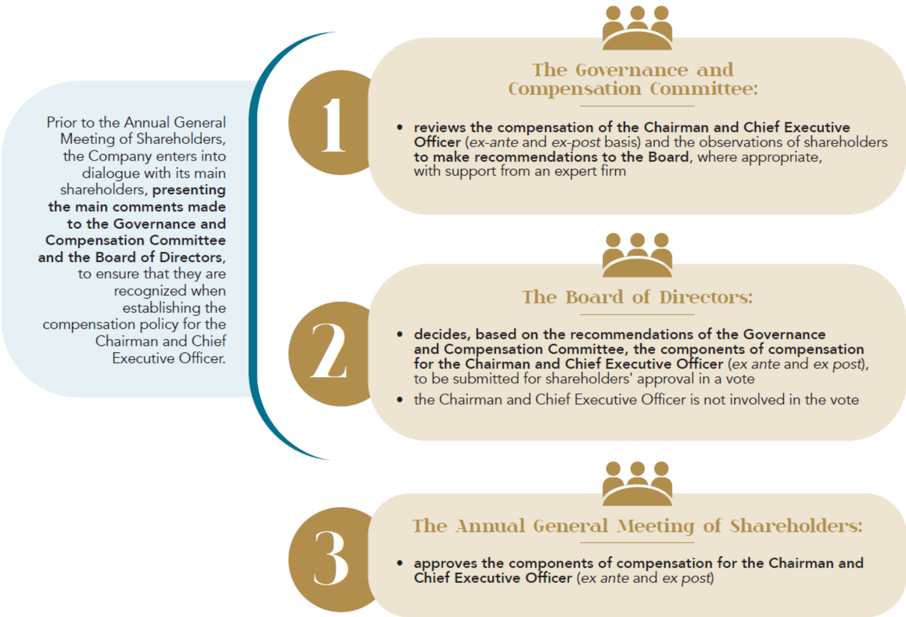
Compensation policy applicable to the Chairman and Chief Executive Officer of Chargeurs

Compensation policy applicable to the Chairman and Chief Executive Officer for 2024

As of the date of this document, the Chairman and Chief Executive Officer is the Company's sole executive corporate officer. The Chairman and Chief Executive Officer's compensation policy is part of a stringent discussion and decision-making process involving several parties:



General principles

The compensation policy for the Chairman and Chief Executive Officer focuses on two guiding principles, namely balance and consistency. As such, the latter is established by factoring in the Company's general interest and targeting consistency with the compensation of the Company's other executives and employees, particularly through the ratios referred to in section 4.4.1.1 of the Universal Registration Document.

Moreover, the Board of Directors has paid particular attention to ensure that the compensation policy for fiscal 2024 is simple and understandable, in a special effort to acknowledge the comments made by the Company's main shareholders. With this in mind, in 2023, the Governance and Compensation Committee was specifically tasked with issuing recommendations in this regard, resulting in noticeable adjustments which was presented below and will be voted on at the Annual General Meeting of Shareholders of April 30, 2024.

In drafting this new compensation policy, the Board of Directors drew on an extensive study of market practices in compensation terms for comparable French and foreign companies in the sector, ensuring that it was aligned with the Group's strategic priorities, its economic performance, as well as the personal performance of the Chairman and Chief Executive Officer.

Furthermore, the Board of Directors considered the experience and responsibilities of the Chairman and Chief Executive Officer, as well as the Group's size and sector profile. As a result, since the change of governance in 2015, the Group has undergone significant change, including 15 targeted acquisitions in seven years and the creation of two strategic business lines – Industrial and Luxury Technologies – despite a complex and volatile macroeconomic environment and a succession of unprecedented crises since 2020 (Covid-19 (health), geopolitics, inflation, energy, etc.). Against this background, despite a persistently complicated environment these past few years, requiring involvement from the Chairman and Chief Executive Officer to manage a number of disruptive factors, the Group has continued its strategic transformation and a policy of robust growth.

The Chairman and Chief Executive Officer's steadfast financial commitment and renewed trust in the Group's expansion are also emphasized, as evidenced by the voluntary public tender offer for the Company's shares filed on January 5, 2024 by Colombus Holding S.A.S. and Colombus Holding 2 S.A.S., controlled at the highest level by the Chairman and Chief Executive Officer, with the Offerors' stated and confirmed intention to pursue the main strategic directions implemented by the Company.

Following the settlement-delivery of the public tender offer on April 9, 2024, Colombus Holding S.A.S. and Colombus Holding 2 S.A.S. together hold 67.58% of the share capital and 68.46% of the voting rights of the Company (this including the 824,460 treasury shares held by the Company and ranking pari passu with the shares held by the Offerors). As a result, the Chairman and Chief Executive Officer's financial exposure to the Group creates the conditions that seamlessly align interests with Chargeurs' other shareholders.

The Chairman and Chief Executive Officer's compensation breaks down into four categories, excluding all other components:

Below, these various categories are detailed. The compensation paid to the Chairman and Chief Executive Officer does not include any exceptional compensation, deferred company pension scheme or any other scheme of such effect. What's more, Mr. Michaël Fribourg does not have an employment contract.

Proposed changes for the 2024 compensation policy

During the 2023 fiscal year, in light of the dialog held with the various stakeholders and factoring in the views of shareholders, the Board of Directors has tasked the Governance and Compensation Committee with reviewing the Chairman and Chief Executive Officer's compensation policy as a whole before issuing recommendations to make it simpler and more understandable, since it was made more complex over the years as a result of additional layers.

To perform its assignment, the Governance and Compensation Committee implemented a stringent process:

- An external consultant conducted a special benchmark analysis to establish a panel of companies comparable to Chargeurs, while recognizing the specific features of Chargeurs' business model. Several criteria were used to select the Group's peers, including market capitalization, business sector (including investment and holding companies), international footprint, governance (uniqueness of roles) and capital structure (with reference or controlling shareholders);
- Analysis of market practices and applicable compensation recommendations;
- Constructive discussions between Board members based on the recommendations of the Governance and Compensation Committee. As a result of this process, the compensation policy for the Chairman and Chief Executive Officer was thoroughly reviewed.

The following table summarizes the main adjustments:

Main adjustments for the Chairman and CEO's 2024 compensation policy	
Abolition of several variable compensation components and streamlining of its structure to avoid any possible offsetting effect between the various criteria	• Abolition of *Shareholder Return bonuses.* • Abolition of exceptional bonuses linked to equity/debt raising exercises, divestments or acquisitions and stock market performance. • Introduction of an allocation scale for each financial and non-financial criterion, preventing any offsetting between such criteria.
Addition of a new financial criterion and redefinition of non-financial criteria in line with the Group's strategic priorities	• Introduction of a new financial performance criterion: Cash flow from operating activities, in addition to the Group recurring operating profit criterion. • Redefinition of non-financial criteria, with a focus on three strategic priorities: – Development of talent and organizational management; – Personal performance; – Sustainable development.
New weighting for financial and non-financial criteria	• Financial criteria: 70% • Non-financial criteria: 30%
Increased clarity and transparency	On top of the weighting of criteria, publication of the target and maximum weighting per criterion, as well as the completion rate for each criterion.

SUMMARY OF CHAIRMAN AND CEO COMPENSATION COMPONENTS FOR 2024

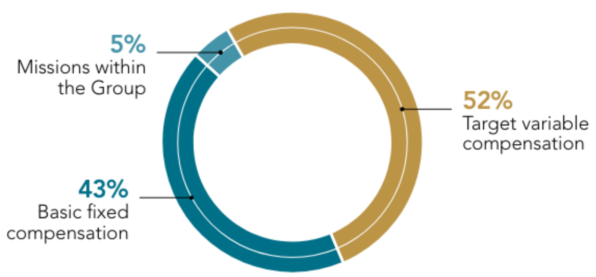
Fixed compensation	€750,000, gross
Variable compensation	• Target bonus: 120% of annual fixed compensation/Maximum bonus: 180% of annual fixed compensation (financial criteria: target 84% / max. 126% – non-financial criteria: target 36% / max. 54%) • Weighting of financial criteria (70%): Group recurring operating profit (35%) and cash flow from operating activities (35%). • Weighting of non-financial criteria (30%): development of talent and organizational management (10%), personal performance (10%) and sustainable development (10%). • No clawback clause.
Special bonus	No
Long-term bonus: performance shares	No
Directors' fees	• 96,000 euros (€96,000) in respect of his missions in the Group's foreign subsidiaries. • No compensation in respect of his mission as Chairman of the Board of Directors and a Director of Chargeurs.
Supplementary pension plan	No
Employment contract	No
Supplementary unemployment insurance	No
Deferred commitments	• Termination benefit: indemnity equal to the total gross compensation received in respect of the last completed fiscal year. • Non-compete benefit: indemnity equal to the total gross compensation received in respect of the last completed fiscal year.
Other benefits	• Use of Group transport: annual maximum amount of 22,000 euros (€22,000). • Partial coverage of Mr. Michaël Fribourg's international residency costs: annual maximum amount of 120,000 euros (€120,000).

The Chairman and Chief Executive Officer's compensation package comprises a fixed and a variable component. The breakdown between the various components reflects the Board of Director's choice of maintaining an overriding emphasis on variable performance-based compensation that supports the Group's strategic objectives.

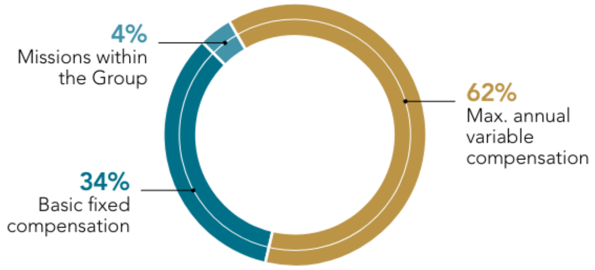
THEORETICAL ANNUAL BREAKDOWN

The theoretical annual breakdown of the different components of the compensation of the Chairman and Chief Executive Officer reflects the preponderance of performance conditions compared with the fixed portion:

TOTAL TARGETED COMPENSATION



TOTAL MAXIMUM COMPENSATION



(a) Annual fixed compensation

During each fiscal year, based on the recommendations of the Governance and Compensation Committee, the Board of Directors sets the annual fixed compensation of the Chairman and Chief Executive Officer for the period, insofar as it has not been set over multiple fiscal years. The annual fixed compensation of the Chairman and Chief Executive Officer was last amended in 2023, totaling 750,000 euros (€750,000), gross. This amount was set on the basis of several principles and determining factors deemed relevant by the Board of Directors:

- Chairman and CEO's level of experience and complex nature of responsibilities;
- Consistency with fixed compensation of other Group executives and employees;
- Competitiveness in relation to the compensation of international companies of the same profile, given that the Chairman and Chief Executive Officer, who is the Group's largest shareholder, has expressly renounced all share-based compensation (free share plans, stock options) and all similar deferred cash compensation since taking office, unlike the majority of companies on the comparison panel. An external consultant conducted a special benchmark analysis at end-2023, based on a panel of companies comparable to Chargeurs, which confirmed that the annual fixed compensation of the Chairman and Chief Executive Officer was aligned with the fixed median salary of executives in the reviewed panel;
- The final stage in developments to the annualized base compensation of the Group's previous governance structure, despite the Group's change of scale and the international expansion and diversification in its activities;
- Successes achieved as part of the operations drive in Leap Forward 2025 and the Group's sector transformation.

As such, it is specified that whereas in the past, Chargeurs was a purely industrial and B2B group, it is now a mixed group with, on the one hand, both industrial and service activities, and on the other, both B2B and B2C activities. In view of these developments, managers have dealt with even more sophisticated and demanding challenges, issues, responsibilities and constraints than before, exacerbated by the difficult macroeconomic context of recent years, affected by a succession of unprecedented crises (health, energy and inflation). Furthermore, Chargeurs confirms its position in the premium products and services sector, where talent and managers are particularly sought after, with compensation packages that are generally higher than that selected for the Chief Executive Officer.

The basic fixed compensation is therefore consistent with the Group's ambitious commitments in the luxury goods sector, which materialized through no less than five strategic and diversifying acquisitions - Fournival Altesse (2021), Swaine Adeney, Brigg (2021), Event Communications Ltd (2021), Skira Editore S.p.A. (2022), and The Cambridge Satchel Company (2022) - but also iconic successes, such as the global partnership between Gucci and NATIVA™, the opening of Swaine stores in London, and the creation of Chargeurs Museum Studio.

For fiscal 2024, the annual fixed compensation of the Chairman and Chief Executive Officer will be kept at the same level.

(b) Annual variable compensation

The objective of annual variable compensation is to reward the performance achieved by the Chairman and Chief Executive Officer in the fiscal year. This compensation is determined on the basis of attaining precise, exacting annual targets, consistent with those of the Group's other senior executives and designed to reflect the Group's strategy and ambitions as closely as possible. These targets are set by the Board of Directors on a proposal from the Governance and Compensation Committee.

In 2024, performance criteria are as follows:

- Financial criteria defined by the Group's economic performance and assessed on a consolidated basis:
  - – Group recurring operating profit,
  - – cash flow from operating activities;

- non-financial criteria highlighting the implementation of key strategic initiatives and actions in three priority areas:
  - – development of talent and organizational management,
  - – personal performance, and
  - – sustainable development.

The respective weighting of each criterion reflects the preponderance of the quantitative component and the Board's decision to sustain an exacting variable compensation scheme. As a result, in fiscal 2024, the criteria used to determine target variable compensation are 70% financial and 30% non-financial:

Variable compensation criteria:	2024 weighting [1]
FINANCIAL TARGETS	
Group recurring operating profit by business segment	35%
Cash flows from operating activities	35%
Sub-total	**70%**
NON-FINANCIAL TARGETS	
Development of talent and organizational management	10%
Personal performance	10%
Sustainable development	10%
Sub-total	**30%**
TOTAL	**100%**

(1) Weighting based on target variable compensation set at 120% of annual fixed compensation.

Non-financial criteria will be assessed by the Governance and Compensation Committee and validated by the Board of Directors on the basis of tangible initiatives led during fiscal 2024:

Priorities	Criteria	Weighting
Development of talent and organizational management	Increase in company headcount eligible for the training policy. Internationalization of business line Executive Committees.	10%
Personal performance	Drafting of a new strategic plan to support the Group's development and add value.	10%
Sustainable development	Environment: Accelerating innovation by expanding sustainable product range. Social: Fostering diversity and equal opportunities within business lines. Governance: Training Directors on CSR topics.	10%

Annual variable compensation is expressed as a percentage of annual fixed compensation. It varies from 0% to 120% (target weighting) if targets are met, and up to a maximum of 180% if targets are outperformed.

At the start of the fiscal year, the Governance and Compensation Committee conducts an in-depth review of the weighting of each financial and non-financial criterion, before presenting them to the Board of Directors for approval. The content of the targets, i.e., the level of performance required for each criterion, is set in line with the Group's development strategy and budget trajectories:

- On the recommendation of the Governance and Compensation Committee, the Board of Directors has set a pre-established target and a range of performance thresholds for each financial criterion. The overall target weighting of financial criteria is 84%, for a maximum of 126% of fixed compensation, including a target weighting of 42% for each of the two criteria - Group recurring operating profit by business segment and cash flow from operating activities - for a maximum of 63% of fixed compensation.

- Specific initiatives and actions were identified for each non-financial criterion so as to assess their achievement at the end of the fiscal year. The overall target weighting of non-financial criteria is 36%, for a maximum of 54% of fixed compensation, which includes the three priority areas – development of talent and organizational management, personal performance and sustainable development – with a target weighting of 12% for a maximum of 18% of fixed compensation.

Corresponding final amounts depend on the performance level of the set pre-established targets, with no option to offset between criteria. Note that for reasons of business confidentiality, the annual pre-established targets set by the Board of Directors, on the recommendation of the Governance Committee, are not published. However, attainment levels for each criterion will be communicated annually, once the performance assessment has been established and recorded.

(c) Compensation for corporate officer positions in other Group entities

As part of the Group policy on international development and likefor-like and external growth, the Chairman and Chief Executive Officer closely monitors international subsidiaries playing a strategic role, notably in the United States, where his role has been strengthened, and, in this respect, will receive compensation of €96,000, gross, in respect of fiscal 2024 relating to his functions as corporate officer. Conversely, at his own request, the Chairman and Chief Executive Officer does not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in Chargeurs S.A.'s bylaws (i.e., in relation to organizing the Board's work and operating procedures).

(d) Payment of the Chairman and Chief Executive Officer's variable compensation

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the Chairman and Chief Executive Officer's variable compensation for fiscal 2024 will be contingent on the shareholders' approval – at the Annual General Meeting called to approve the 2024 financial statements – of the fixed, variable and exceptional components making up the total compensation and benefits in kind paid or awarded to the Chairman and Chief Executive Officer for fiscal 2024.

(e) Directors' compensation

As stated above, at his own request, the Chairman and Chief Executive Officer does not receive any compensation for his roles and responsibilities as Chairman of the Board of Directors as set in the Company's bylaws (i.e., in relation to organizing the Board's work and operating procedures). As in prior fiscal years, and again at his own request, he will not receive any compensation for fiscal 2024 in his capacity as a member of the Board of Directors of Chargeurs S.A.

(f) Benefits in kind

In 2024, the Chairman and Chief Executive Officer may continue to have the personal use of a means of transport at the Group's disposal to facilitate certain business trips. The use of this means of transport – which will be calculated on a variable hourly cost basis – will be recognized as a benefit in kind and capped at an annual amount of 22,000 euros (€22,000).

In addition, given the constraints resulting from the Group's international position, the international residency costs of Mr. Michaël Fribourg will be provided for in part with an annual limit of €120,000.

On his request, the Chairman and Chief Executive Officer is not granted any stock options or performance shares, is not a member of a supplementary pension plan and does not receive any benefits in kind such as a company car.

(g) Commitments given to the Chairman and Chief Executive Officer

At its meeting on March 8, 2017 the Board of Directors approved a non-compete agreement between Mr. Fribourg and the Company which reflects the Group's standard practices. This commitment was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation. In this respect, considering his roles and responsibilities, Mr. Fribourg has daily access to confidential information about the Company and other Group entities, as well as their customers, which, if disclosed to competitors, could severely harm the Company's interests.

Consequently, Mr. Fribourg has given an undertaking that if his duties as either Chief Executive Officer or as Chairman and Chief Executive Officer are terminated (irrespective of the reasons therefor and manner thereof), he will refrain for a period of two years from entering into the service of, or taking any form of direct or indirect interest in, any entity whose business activities compete with those of the Chargeurs group in the segments of (i) temporary surface protection and (ii) garment interlining. This undertaking applies in the main countries where the Group has premises or an operating presence.

As consideration, if Mr. Fribourg leaves office or his roles of Chairman and Chief Executive Officer are separated, the Company will pay him a non-compete indemnity equal to his total gross compensation for the last full fiscal year. For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

Also on March 8, 2017 the Board of Directors approved a related-party agreement setting out the benefits that would be payable to Mr. Fribourg by Chargeurs S.A. in the event that (i) his term of office is not renewed, (ii) he is removed from office, (iii) his roles as Chairman and Chief Executive Officer are separated, or (iv) there is a change in the Company's strategy or control. This agreement, which reflects the Group's standard practices, was approved by the shareholders at the April 20, 2017 Annual General Meeting in accordance with the applicable legislation.

As such, if Mr. Fribourg is removed from office or his term of office is not renewed for whatever reason (including in the event of a transformation, a change in governance structure, the separation of the roles of Chairman and Chief Executive Officer or a merger), except in the event of gross negligence or serious misconduct (within the meaning of French case law), or if he resigns from his office of Chairman and Chief Executive Officer within the Company, he will receive an indemnity equal to his total gross compensation received for the last full fiscal year.

For the purpose of calculating this benefit, total gross compensation corresponds to his basic fixed compensation (including the compensation received for his directorships in Group entities) and the full amount of his variable compensation received for the last full fiscal year.

The payment of this indemnity is contingent on consolidated recurring operating profit for the last full fiscal year representing the minimum amount for Mr. Fribourg's quantitative-based variable compensation to become payable.

(h) Special circumstance

In accordance with the provisions of Article L. 22-10-26 III, paragraph 2, of the French Commercial Code, and only in the event of exceptional circumstances outside the Group which have not been considered in the compensation policy, the Board of Directors may decide to waive the application of said policy, if such departure is temporary, consistent with corporate interests and necessary to guarantee the Company's business continuity or viability. Should this option be exercised, the Board of Directors will make its decision on the basis of the recommendations of the Governance and Compensation Committee, and must justify its decision in the context of special circumstances and alignment with shareholders' interests. Moreover, such an option will be exercised publicly. In any event, such special measures can only be implemented under the following constraints:

- only the annual variable compensation may be amended, to redefine one or more of the parameters associated with the performance criteria (trigger thresholds, objectives, targets, etc.), it being specified that this may not have the effect of amending the overall cap on total variable compensation in relation to annual fixed compensation (i.e., 150%), nor of amending the maximum weighting of the quantitative component of annual variable compensation and the maximum weighting of the qualitative component of said compensation.

- only major events impacting the markets or altering the sector environment, not factored into the criteria or parameters initially set out in this policy for annual variable compensation, and which would have a material impact on the Company's performance, would result in the use of this option.

Draft resolution (ex-ante say-on-pay vote)

"Voting in accordance with the quorum and majority rules applicable to ordinary meetings and having considered the report of the Board of Directors, in accordance with Article L. 22-10-8 of the French Commercial Code, the shareholders approve the compensation policy applicable to the Chairman and Chief Executive Officer as presented and described in the Board of Directors' Report on Corporate Governance."