



PRESS RELEASE

MAISONS DU MONDE : INFORMATION REGARDING JULIE WALBAUM'S COMPENSATION

Nantes, 16 March 2020

According to the AFEP-MEDEF Corporate Governance code and the Financial Markets Authority's recommendations, [Maisons du Monde](#) (Euronext Paris: MDM, ISIN Code: FR0013153541) publishes the decisions taken by its Board of Directors on 10 March 2020 regarding the compensation components of the Chief Executive Officer, Mrs. Julie Walbaum.

Long Term Incentive Plan

In accordance with the authorization of the Shareholders' Meeting of 19 May 2017 (13th resolution), the Board of Directors during its meeting of March 10, 2020 decided, based on the Remuneration Committee recommendation, to award to Mrs. Julie Walbaum, 53,900 free performance shares. These shares are existing shares or to be issued by the Company, corresponding to 0.12% of the share capital.

The allocation of these shares is concomitant with an award made to the benefit of more than 400 employees of the Maisons du Monde's Group corresponding to 0.78% of the share capital.

The definitive allocation of all the shares allocated to Mrs. Julie Walbaum is subject to a condition of three years continuous attendance until March 10, 2023, as well as to the performance conditions set out below.

The definitive number of free performance shares to be attributed will depend on the realization of the performance conditions, measured in relation to the Sales level (as in the consolidated financial statements) of 2021 (CA2021) of Maisons du Monde, the EBITDA level (as in the consolidated financial statements) of 2020 and 2021 (EBITDA20 + 21) and a third condition on the Earning per Share normative cumulated on 2020 and 2021 (EPS20 + 21) of Maisons du Monde.

The Board of Directors, based on the Remuneration Committee's recommendation, set the expected target levels for each of the performance conditions:

- 20% of the shares carry a condition CA21,
- 50% a condition EBITDA20 + 21
- 30% a condition EPS20 + 21

Concerning the internal performance condition for CA21, the measure of performance, which conditions the number of shares definitively acquired under this performance and under condition of attendance, is as follows:

- The threshold for triggering performance (at 95% of the target of CA21) entitles 50% of the shares that carry this condition;
- The performance target (at 100% of the objective) entitles 100% of the shares that carry this condition;
- Below the threshold, no share for this performance is acquired;
- Between the threshold and the performance target shares under this condition are acquired in a proportional and linear manner.

Concerning the two internal performance conditions (EBITDA20 + 21 and EPS20 + 21), the performance measure for each of the conditions, conditioning the number of shares definitively acquired under this performance and under condition of presence, is as follows:

- The trigger threshold (at 90% of the target) entitles 50% of the shares that carry this condition
- The performance target (at 100% of the objective) entitles 100% of the shares that carry this condition
- Between the threshold and the performance target the actions under this condition are acquired in a proportional and linear manner

In case the number of free performance shares obtained as a result of the application of the above performance conditions would not be an integer, it will be rounded to the immediately lower unit.

The CEO will be required to retain, until the end of her term office, 40% of the shares granted until she holds a quantity of shares representing 2 years of base compensation. In view of this obligation of detention, the availability of performance shares is not conditional on the purchase of additional shares of the Company.

Then, the Board of Directors reaffirmed that the CEO could not use hedging products on the Company's shares and all related financial instruments and took note of Mrs. Julie Walbaum's commitment not to use such hedging transactions, including on the free performance shares assigned.

Mrs. Julie Walbaum's variable compensation for FY2019

During this meeting, the Board of Directors, based on the Remuneration Committee recommendation, fixed the variable remuneration of Julie Walbaum for FY2019.

It is recalled that during its meeting of March 22, 2019, the Board of Directors fixed the variable remuneration as follow: the gross annual variable bonus has a target value of 60% of her gross annual fixed compensation. The amount of the variable bonus can be set between 0% and 150% of the target value depending on the performance. The annual variable bonus ceiling is 90% of Mrs. Julie Walbaum's annual fixed compensation. The benefit of this variable bonus is conditional on the achievement of both financial and non-financial objectives including corporate social responsibility / environmental responsibility criteria. Thus, the target variable bonus is structured as follows:

- Financial objective based on the Group's sales: 20% of the target variable bonus;
- Financial objective based on the Group's EBIT: 50% of the target variable bonus;
- Non-financial objectives: 30% of the target variable bonus determined on the following detailed objectives:
 - 15% new organization of the Comex's Company;
 - 10% new Strategic Plan determination;
 - 5% CSR priorities and objectives.

It is recalled that the terms of Mrs. Julie Walbaum's compensation were approved by the General meeting of shareholders 3 June 2019.

Each criterion has been evaluated independently, in relation to an objective. For the assessment of the achievement rate of each criterion, the Remuneration Committee determined performance thresholds, a target and a maximum. The achievement for a criterion of the maximum performance level gives rise to a maximum of 150% of the target level on this criterion.

During the meeting held on March 10, 2020, based on the Nomination and Compensation Committee's recommendation, the Board of Directors assessed the overall impairment at 86% of the target performance, with the achievement rates by criterion as follows:

	% criterion	Criterion's rate of achievement	Evaluation	% target bonus	% basic compensation
Financial objectives					
- Group Sales	20%	97%	82%	16.40%	9.84%
- Ebit Groupe	50%	92.5%	78%	38.75%	23.25%
Non-financial objectives					
- New organization of the Comex	15%	100%	100%	15%	9.00%
- New strategic plan	10%	80%	80%	8%	4.80%
- CRS priorities and objectives	5%	150%	150%	7.50%	4.50%
Achievement's rate / bonus				85.7%	51.39%
Basic compensation	450,000 €				
Target bonus: 60% of basic compensation	270,000 €				
Bonus due				231 000 €	

The variable compensation for the period is set at a rounded amount of EUR 231,000, representing 51.39% of the basic compensation for the period. This amount will be subject to the approval of the General meeting of shareholders 12 June 2020.

Mrs. Julie Walbaum's compensation for FY2020

For the current financial year, the Board of Directors fixed the following compensation modalities:

Fixed compensation: EUR 450,000, same as FY2019;

Variable compensation: The gross annual variable bonus will have a target value of 60% of her gross annual fixed compensation. The amount of the variable bonus can be set between 0% and 150% of the target value depending on the performance. The annual variable bonus ceiling is 90% of Mrs. Julie Walbaum's annual fixed compensation. The benefit of this variable bonus is conditional on the achievement of both the quantitative and qualitative objectives including a corporate social responsibility / environmental responsibility criterion. Thus, the target variable bonus will be structured as follows:

- Financial objective based on the Group's sales: 20% of the target variable bonus;
- Financial objective based on the Group's EBIT: 50% of the target variable bonus;
- Non-financial objectives: 30% of the target variable bonus determined on the following detailed objectives:
 - Operational management of the COVID-19 crisis: 10% of the target, Build and implement a world prevention and business continuity plan (crisis management governance, policy aimed at protecting employees and banner customers, securing supply flows...). Define a plan to relaunch the post covid-19 activity;
 - Construction, implementation, monitoring and result of the proactive action plan (encompassing the entire Group cost structure) aimed at mitigating the impacts of the health crisis on the Group's cash generation: 15% of the target;
 - Implementation and progress of indicators in terms of diversity and gender equality within the company: 5% of the target.

Each criterion is evaluated independently, in relation to an objective fixed by the Board of directors. For the assessment of the achievement rate of each criterion, the Remuneration Committee determined a grid with performance thresholds, a target and a maximum. The achievement, for a criterion, of the target performance level gives 100% of the target level on this criterion and the achievement of the maximum results in a maximum of 150% of the target level on this criterion.

Those objectives pre-established and defined in a precise way, as well as the level of achievement of the non-financial criteria are not disclosed for confidentiality reasons.

The terms of Mrs. Julie Walbaum's compensation are however and either way subject to the approval of the General meeting of shareholders 12 June 2020.



About Maisons du Monde

Maisons du Monde is a creator of inspirational lifestyle universes in the homeware industry, offering distinctive and affordable decoration and furniture collections that showcase multiple styles. The Group develops its business through an integrated and complementary omnichannel approach, leveraging its international network of stores, its websites and its catalogues. The Group was founded in France in 1996 and has expanded profitably across Europe since 2003, reporting sales of €1,225 million and EBITDA of €153 million in 2019. At 31 December 2019, the Group operated 376 stores in 9 countries including France, Belgium, Germany, Italy, Luxembourg, Portugal, Spain, Switzerland and the United States, and derived 45% of its sales outside France. The Group has also built a successful complementary and comprehensive ecommerce platform, whose sales grew by over 30% per year on average between 2010 and 2019. This platform, which accounted for 25% of the Group's sales in 2019, is available in the countries where it operates stores plus Austria and the Netherlands. In 2018, the Group acquired a majority stake in Modani, a furniture chain present in the United States through its stores and ecommerce business. Modani, founded in 2017, is an aspirational lifestyle brand, offering high-quality proprietary modern, contemporary and midcentury furniture at affordable price points, with a nationwide presence through a network of 18 showrooms.

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