



MAISONS DU MONDE

INFORMATION ON THE COMPENSATION OF JULIE WALBAUM, CHIEF EXECUTIVE OFFICER

Nantes, 14 March 2022

In accordance with the AFEP-MEDEF Code of Corporate Governance for Listed Companies and the recommendations of the French financial market's authority (AMF), [Maisons du Monde](#) (Euronext Paris: MDM; ISIN code: FR0013153541) hereby discloses the decisions taken by its Board of Directors at its meeting of 9 March 2022 concerning the compensation of Julie Walbaum, Chief Executive Officer.

Variable compensation of Julie Walbaum for the 2021 fiscal year, payable in 2022

On the recommendation of the Nomination and Compensation Committee, the Board of Directors of Maisons du Monde has set the variable compensation of Julie Walbaum for 2021. In accordance with Article L. 22-10-34 II of the French Commercial Code, this compensation will only be paid after its approval at the Shareholders' Meeting of 31 May 2022.

It is recalled that the Board set the terms of this variable compensation at its meeting of 25 March 2021, on the recommendation of the Nomination and Compensation Committee, which met on 2 March 2021.

These compensation arrangements were subsequently approved at the Shareholders' Meeting of 4 June 2021.

Each criterion was assessed separately, in relation to its target. To assess the attainment rate of each criterion, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, used performance thresholds, targets and ceilings set as follows:

- Assessment of financial targets:
 - Group sales: 30% of the target variable portion, up to 125% in the event of outperformance. The attainment rate is 94.4% (the target of 100% not being achieved due to the closure of stores during the 2021 fiscal year),
 - Group EBIT: 30% of the target variable portion, up to 150% in the event of outperformance. The attainment rate is 150%, corresponding to the maximum outperformance for this criterion, due to the good EBIT performance in 2021,
 - Group free cash flow: 30% of the target variable portion, capped at 100%. The target was also largely exceeded, so the attainment rate is 100%.
- Assessment of non-financial targets:
 - Percentage of responsible products in Maisons du Monde's offering: 10% of the target variable portion, up to 125% in the event of outperformance. The attainment rate is 125%, corresponding to a higher level than the maximum outperformance for this criterion.

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, therefore assessed the overall attainment of the Chief Executive Officer's 2021 performance at 115.8% of the target performance, with the attainment rates weighted by criterion as follows:

2021 variable portion	% by target	Target attainment rate	% bonus Target
Financial objectives			
- Group sales	30%	94.4%	28.3%
- Group EBIT	30%	150%	45%
- Free cash flow	30%	100%	30%
Non-financial targets (quantifiable)			
- CSR: Percentage of responsible products in Maisons du Monde's offering	10%	125%	12.5%
Attainment rate/variable portion			115.8%
Reference fixed compensation	€500,000		
Target variable portion: 100% of fixed compensation	€500,000		
Maximum variable portion: 125% of target compensation	€625,000		
Variable portion to be paid			€579,000

The variable portion for 2021 that will be paid subject to shareholder approval at the Shareholders' Meeting of 31 May 2022 therefore amounts to €579,000, or 115.8% of the reference fixed compensation for the period.

Reminder of decisions on the free performance share plan awarded in 2019 to the Chief Executive Officer, the shares of which were to vest in 2022

The Board of Directors notes the decision it took in 2021 regarding the performance conditions for fiscal years 2019 and 2020 attached to the free performance shares awarded to the Chief Executive Officer. Due to the impact of the health crisis and despite the Group's good performance in 2020, the Board of Directors noted that the plan's targets were not met.

None of the free performance shares that were awarded to the Chief Executive Officer and which were to vest in 2022 will therefore be delivered.

The components of the fixed compensation and the target and maximum amounts of the annual variable compensation of the Chief Executive Officer, as approved by the Shareholders' Meeting of 4 June 2021, are unchanged for 2022

- Fixed compensation of €500,000
- Target variable portion of 100% of the fixed compensation
- Maximum variable portion of 125% of the target in the event of outperformance.

Performance conditions for the variable compensation of the Chief Executive Officer for 2022

The Chief Executive Officer's variable compensation for the 2022 fiscal year will continue to be based on the addition of two components: financial performance based on three criteria (sales, EBIT and free cash flow) and CSR performance (climate and social).

In 2022, on the recommendation of its Nomination and Compensation Committee, the Board of Directors decided to increase the weighting of the CSR criteria in the Chief Executive Officer's short-term variable compensation system from 10% to 20%.

Each criterion will be assessed separately, in relation to a target set by the Board.

To assess the attainment rate of each criterion, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, has determined performance thresholds, a target and a ceiling. The lower limit for financial targets corresponds to the payment of 75% of the target amount; the target corresponds to 100%, and the ceilings are defined as follows:

- Financial objectives: 80% of the target variable portion
 - Group sales: 30% of the target variable portion, with a maximum of 150% in the event of outperformance
 - Group EBIT: 25% of the target variable portion, with a maximum of 140% in the event of outperformance
 - Group free cash flow: 25% of the target variable portion, with a maximum of 100%

These pre-established and precisely defined targets, as well as the expected level of achievement of the criteria, are not disclosed for reasons of confidentiality, but correspond to the budget approved by the Board and are consistent with market guidance.

- CSR objectives: 20%
 - Climate: 15% of the target variable portion, with a maximum of 100%

The Climate criterion comprises two objectives aligned with Maisons du Monde's goal of reducing its CO₂ emissions by 25% in terms of carbon intensity (tCO₂eq/€m of sales) between 2018 and 2025 on the Group scope and on scopes 1, 2 and 3:

 - For 10% of the target variable portion, with a maximum of 100%

Compared with a baseline at end 2018 in terms of carbon intensity (tCO₂eq/€m of sales) on the Group scope and on scopes 1, 2 and 3;

Reduce carbon intensity from -16 % at end 2021 to – 18,5 % at end 2022
 - For 5% of the target variable portion, with a maximum of 100%

Climate roadmap: make a reliable internal carbon footprint management tool available to define a medium- and long-term CO₂ emissions reduction trajectory for the Group's activities (scopes 1, 2 and 3) before the end of 2022.
 - Social: 5% of the target variable portion, with a maximum of 100%.

As part of the Group's policy in favour of young people and equal opportunity, have 150 work-study or apprenticeship contracts in the Group by 31 December 2022. The aim of this objective is to maintain the trajectory towards 300 young people on work-study programmes in the Group by the end of 2025.

Decision to award free performance shares to the Chief Executive Officer for the 2022 fiscal year

Under the authorisation conferred by the Shareholders' Meeting of 12 June 2020, the Board of Directors decided, on a proposal from the Nomination and Compensation Committee, to award 39 242 free performance shares to the Chief Executive Officer. These shares are existing shares or shares to be issued by the Company, corresponding to 0,09% of the share capital and whose amount measured pursuant to IFRS 2 is at most equal to 120% of her fixed compensation.

The allocation of these shares is concomitant with an allocation made to nearly 200 employees of the Maisons du Monde Group, representing a total of 0.63% of the share capital.

The vesting of all shares allocated to Julie Walbaum is subject to a condition of continuous presence for three consecutive years until 09 March 2025, as well as to the performance conditions defined below:

- **SALES CAGR:** Average annualised growth rate for the years 2022-2024
- **EBIT: Average EBIT margin for the years 2022-2024**
- **TSR:** Total Shareholder Return: rate of return on Maisons du Monde shares over 3 years measured against the CAC Mid 60 index. GR (dividends included)
- **CSR**



- climate criterion: share of the “Good is Beautiful” offer at the end of 2024 (number of SKUs complying with the “Good is Beautiful” standards in the 2024 collections/Number of total SKUs in the Maisons du Monde 2024 collections)
- social criterion: engagement rate of the employees at end 2024 compared with their engagement rate at end 2021 (the engagement rate being measured using a consistent method based on the average of the 4 indicators mentioned in the engagement survey carried out among the employees of all European subsidiaries of the Group at end 2021).

CRITERIA SELECTED	WEIGHT OF CRITERION
Sales CAGR	30%
EBIT margin	30%
TSR	20%
CSR:	20%
- CLIMATE	15%
- SOCIAL	5%

The Board of Directors, on the recommendation of the Nomination and Compensation Committee, set the quantifiable threshold and target levels expected for each of the performance conditions excluding TSR:

- The performance triggering threshold gives the right to 50% of the shares.
- The performance target (100% of the objective) gives the right to 100% of the shares
- Below this lower limit, no shares are acquired for this performance
- Between the lower limit and the performance target, the shares for this condition are acquired on a proportional and straight-line basis

Particularly with regard to the TSR criterion and in accordance with the commitment made to the shareholders, the performance threshold has been set at the achievement of performance at least equivalent to the selected index. At this performance level, 75% of the shares bearing this performance condition will vest. The performance target conferring entitlement to all shares subject to the TSR criterion is set at 105% of the index. If this target is exceeded, up to 125% of the number of shares subject to the TSR criterion could vest on a straight-line basis up to a maximum 110% of index performance.

If the number of performance shares vested in application of the aforementioned performance criteria is higher than the number of shares granted, the number of shares vested shall on no account exceed 100% of shares granted. If the number of shares is not a whole number, it shall be rounded down to the nearest whole number.

The Chief Executive Officer will be required to retain 40% of the allocated shares as registered shares until the end of her term of office, until she holds a quantity of shares representing two years of fixed compensation. Given this holding obligation, the availability of the performance shares is not conditional on the purchase of additional Company shares.

Lastly, the Board reaffirmed that the Chief Executive Officer may not use hedging products on the Company’s shares as well as all related financial instruments, and noted Julie Walbaum’s commitment not to use such hedging transactions including on the allocated performance shares.