

## 3.2 CORPORATE GOVERNANCE ARRANGEMENTS

Taken in conjunction with section 3.1 above, the present section constitutes the Board of Directors' report on Corporate Governance required under Article L. 225-37 of the French Commercial Code. The report was prepared by the Secretary to the Board (who is also Group Legal Affairs Director) in conjunction with senior management and the Group Finance Department. It draws upon various internal documents (including the Articles of Association and Rules of Procedure, and minutes of Board and Board committee meetings). It takes account of current regulations; corporate governance recommendations issued by the AMF (the French financial markets authority); the recommendations contained in the AFEP/MEDEF Corporate Governance Code of Listed Corporations (the "AFEP/MEDEF Code"); the report of the French High Committee on Corporate Governance; and market practice.

Under the terms of the Articles of Association, the company is administered by a Board of Directors. The offices of Chief Executive Officer and Chairman of the Board of Directors are combined.

The Board is at all times mindful of corporate governance arrangements at TF1, whether in terms of the composition of the Board or in making the most appropriate decisions about how the Board is organised and operates.

When deliberating, Board members are aware of the need to ensure that all shareholders are treated equally and that the Board should operate as effectively as possible.

TF1 has applied the AFEP/MEDEF Code since 2008. The latest version of the AFEP/MEDEF Code, issued in January 2020, is included as an annex to the Rules of Procedure of the TF1 Board of Directors.

The Board of Directors approved the present report at its meeting of 13 February 2020, after scrutiny by the Selection and Remuneration Committee.

### 3.2.1 PRINCIPLES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

#### RULES APPLICABLE TO THE COMPOSITION OF THE BOARD OF DIRECTORS

The Articles of Association stipulate that the company is administered by a Board of Directors with between three and eighteen members. Pursuant to Article 66 of Law no. 86-1067 of 30 September 1986 as amended on broadcasting freedom, at least one-sixth of the Board of Directors consists of employee representatives.

In accordance with Article L. 225-47 of the French Commercial Code the Board of Directors elects a Chairman from among its members. The Chairman of the Board of Directors organises and directs the work of the Board. He ensures that the company's management bodies function properly, and in particular that the members of the Board are capable of fulfilling their duties.

In accordance with Article L. 225-51-1 of the French Commercial Code, responsibility for executive management is assumed either by the Chairman of the Board of Directors or by another person appointed by the Board of Directors. The Board of Directors is free to choose between the two alternative options for the executive management of the company. On a proposal from the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officers.

All Directors are eligible for re-election.

#### NON EMPLOYEE REPRESENTATIVE DIRECTORS

Non employee representative Directors are appointed by a General Meeting of shareholders.

Since 2015, the term of office of non employee representative Directors has been three years, in order to facilitate the phased rotation recommended by the AFEP/MEDEF Code.

Legal persons may be appointed as Directors. On appointment to the Board, legal persons are required to designate a permanent representative, who is subject to the same conditions and obligations and incurs the same civil and criminal liability as if he or she were a Director in his or her own name, without prejudice to the joint and several liability of the legal person he or she represents.

#### EMPLOYEE REPRESENTATIVE DIRECTORS

Since the company's privatisation and pursuant to Article 66 of law no. 86-1067 of 30 September 1986 as amended, there have been two employee representative Directors. They are elected by the employees of TF1 SA. One is elected by an electoral college of managerial staff and journalists, the other by an electoral college of clerical, technical and supervisory staff. All employees with a contract of employment of at least three months at the date of the election are eligible to vote. All employees with a contract of employment of at least two years at the date of the election are eligible to stand.

Employee representative Directors hold office for two years. The term of office of an employee representative Director terminates on announcement of the results of the votes of the electoral colleges held to appoint employee representative Directors; such appointment normally takes place two weeks before the General Meeting at which the Director's term of office expires. If one or more seats of employee representative Directors fall vacant due to death, resignation, dismissal or termination of employment contract, the vacant seat is filled by an alternate.

Employee representative Directors have the same powers and responsibilities as non employee representative Directors.

Under the Board's Rules of Procedure, employee representative Directors are required to hold a smaller minimum number of TF1 shares during their term of office (10 shares) than non employee representative Directors (100 shares).

TF1 does not fall within the scope of Article L. 225-27-1 of the French Commercial Code, which provides for a mandatory regime for employee representation on the Board of Directors for *sociétés anonymes* above a certain size.

TF1 had no obligation to arrange for the election of Directors representing employee shareholders pursuant to Article L. 225-23 of the French Commercial Code prior to publication of law no. 2019-486 of 22 May 2019 on the Business Growth and Transformation Action Plan (the “Pacte” law).

Consequently, the new requirement for Directors representing employee shareholders will be implemented in two phases, at successive Annual General Meetings.

In accordance with Article 186, paragraph II of the Pacte law, the Board of Directors will ask the Annual General Meeting of 17 April 2020 to approve the amendments to the company’s Articles of Association required for the election of Directors representing employee shareholders, which must take place at the 2021 Annual General Meeting.

#### AGE LIMIT

The Articles of Association do not set an age limit for Directors.

### BOARD RULES OF PROCEDURE AND DIRECTORS’ CODE OF CONDUCT

The Board’s Rules of Procedure were adopted at a Board meeting on 24 February 2003. They explain the operating procedures, powers, characteristics and remits of the Board and its specialist committees. Those committees comprise the Accounts Committee (renamed the Audit Committee in 2003), the Director Selection Committee, the Remuneration Committee (which had existed as a collegiate body since 1988), and the Ethics and CSR Committee (set up in 2014).

A separate annex to the Board’s Rules of Procedure, the “Directors’ Code of Conduct”, specifies the rights and obligations of Directors.

The Rules of Procedure also lay down principles for the annual evaluation of the Board’s operating procedures.

At its 11 December 2019 meeting, the Board of Directors decided to merge the Director Selection Committee and the Remuneration Committee, change its composition, and amend the Rules of Procedure accordingly.

The Rules of Procedure are updated regularly to take account of best practice in governance, and include in an annex the AFEP/MEDEF Code (currently the latest version as revised in January 2020).

The Rules of Procedure and Directors’ Code of Conduct are available on the TF1 corporate website at:

<https://www.groupe-tf1.fr/en/investors/governance>.

### APPLICATION OF THE AFEP/MEDEF CORPORATE GOVERNANCE CODE

TF1 has for many years applied the majority of the recommendations contained in the AFEP/MEDEF Code, which is included as an annex to the Board’s Code of Conduct.

In 2008, the Board of Directors decided that the company would voluntarily adhere to the AFEP/MEDEF Code. An English-language version of the Code can be viewed on the AFEP website at: <https://afep.com/en/publications-en/le-code-afep-medef-revise-de-2018/>.

The table below shows TF1’s departures from the AFEP/MEDEF Code, and the reasons for those departures.

Departure from AFEP/MEDEF Code	Explanation
<p><b>Article 10.3:</b> “It is recommended that at least one meeting not attended by the executive officers should be organised each year.”</p>	<p>The Board is of the opinion that rather than have a meeting attended solely by the independent Directors, it is more appropriate to allow them the opportunity to express their views on the management of the Group from their own distinctive standpoints, in a challenging but supportive manner.</p>

### ASSESSMENT OF DIRECTOR INDEPENDENCE

Every year, the Board of Directors – having taken advice from the Selection and Remuneration Committee – assesses the position of each Director individually by reference to all of the independence criteria contained in the AFEP/MEDEF Code.

Under Article 8 of the AFEP/MEDEF Code, a Director is regarded as independent when he or she has no relationship of any kind with the company, its group or its management that may colour their judgment. The Code lists a number of independence criteria, which when applied to TF1 are as follows:

- not being, and not having been within the past five years: (i) an employee or executive officer of TF1; (ii) an employee, executive officer or Director of an entity consolidated by TF1; or (iii) an employee, executive officer or Director of TF1's parent or of an entity consolidated by that parent;
- not being an executive officer of an entity in which (i) TF1 directly or indirectly holds a directorship or (ii) an employee of TF1 is designated as a Director or (iii) an executive officer of TF1 (current, or who has held such office within the past five years) holds a directorship;

- not being a customer, supplier, investment banker, commercial banker or consultant that is (i) material to TF1 or its group or (ii) for which TF1 or its group represents a significant proportion of its business;
- not being related by close family ties to a corporate officer;
- not having been a Statutory Auditor of TF1 within the past five years;
- not having been a Director of TF1 for more than twelve years (a Director ceases to be independent once he or she has served on the Board for twelve years).

A non-executive officer cannot be regarded as independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of TF1 or its group.

Based on the above criteria, the Board has identified the following Directors as independent Directors: Marie Allavena, Laurence Danon Arnaud, Pascaline de Dreuzy and Catherine Dussart.

The four independent Directors have no business relationship with TF1. None of them receives variable compensation in cash or shares, or any compensation linked to the performance of TF1 or its group.

	Not having been an employee or executive officer of TF1 or the Bouygues group within the past 5 years	Cross-directorships	Material business relationship	Close family ties with corporate officer	AFEP/MEDEF Code independence criteria			
					Not having been TF1's auditor within the past 5 years	Not having been a TF1 Director for more than 12 years	Significant shareholder (>10% of the capital/voting rights)	
Marie Allavena	compliant	compliant	compliant	compliant	compliant	compliant	compliant	compliant
Laurence Danon Arnaud	compliant	compliant	compliant	compliant	compliant	compliant	compliant	compliant
Pascaline de Dreuzy	compliant	compliant	compliant	compliant	compliant	compliant	compliant	compliant
Catherine Dussart	compliant	compliant	compliant	compliant	compliant	compliant	compliant	compliant

The criterion of not having held office as a TF1 Director for more than twelve years is fulfilled by all four independent Directors.

The Board of Directors will ask the Annual General Meeting of 17 April 2020 to reappoint Catherine Dussart and Olivier Bouygues as Directors for a three-year term of office, and to ratify the co-opting of SCDM (represented by Martin Bouygues, a Director who resigned on 13 February 2020).

Catherine Dussart would continue to have no business relationship with the TF1 group, and would retain her status as an independent Director by reference to all the AFEP/MEDEF Code criteria.

Subject to shareholder approval and excluding employee representative Directors, the TF1 Board of Directors would continue to have:

- four female Directors, which means that the proportion of female Directors would be 44%;
- four independent Directors, which means that the proportion of independent Directors would be 44%, above the one-third threshold set by the AFEP/MEDEF Code for a "controlled" company (such as TF1).

The proportion of independent Directors on the Board committees is indicated in the description of the composition of each committee.

## DIVERSITY POLICY APPLIED TO BOARD MEMBERS

In accordance with the AFEP/MEDEF Code, the Board periodically reassesses the balance of its membership and of its committees in terms of diversity (gender balance, expertise, experience, etc.).

The objectives, procedures and outcomes of the Board's diversity policy are presented below.

<b>Objectives</b>	The Board takes the view that a good balance is achieved by having Directors with diverse profiles in terms of age, length of service, qualifications and professional experience relevant to the Group's business activities, and also by having a sufficient number of independent Directors.
<b>Procedures</b>	<p>The Board believes that the expertise and experience of its members, their ability to understand the challenges and risks facing the Group, and their complementarity and commitment, all contribute to the balance of the Board. The Board, acting on recommendations from the Selection and Remuneration Committee, takes account of diversity objectives when proposing new Directors or committee members, and during the annual evaluation of the Board.</p> <p>The Board pays particular attention to the experience and knowledge of the Group's businesses that each Director needs in order to contribute effectively to the work of the Board and its committees.</p> <p>The presence of employee representative Directors on the Board and its committees also contributes to the diversity policy.</p>
<b>Outcomes</b>	<p><b>Expertise</b></p> <p>The Directors are drawn from a variety of backgrounds. The detailed career résumés in section 3.1.3, and the table below, show the diverse nature of Board members' expertise in fields such as the media industry, entrepreneurship, finance, industry and digital.</p> <p>The commitment to diversity is also illustrated by the most recent appointment to the Board in April 2019 (a female Director, with expertise in digital); by the reappointments that the shareholders will be asked to approve at the April 2020 Annual General Meeting: Catherine Dussart (an independent Director and film producer) and Olivier Bouygues; and the ratification of the co-opting of SCDM (represented by Martin Bouygues, a Director who resigned on 13 February 2020).</p> <p><b>Independent Directors</b></p> <p>As of 31 December 2019:</p> <ul style="list-style-type: none"> <li>- the Board had four independent Directors, which means that the proportion of independent Directors remains at 44%, above the one-third threshold set by the AFEP/MEDEF Code for a "controlled" company (such as TF1);</li> <li>- there was a higher degree of independence on its Selection and Remuneration Committee, a majority of whose members are independent Directors. Overall, six of the eight committee seats (75%) are held by independent Directors.</li> </ul> <p><b>International experience</b></p> <p>Although 10 of the 11 Board members are French nationals, most of them have extensive international professional experience.</p> <p><b>Gender balance</b></p> <p>As of 31 December 2019:</p> <ul style="list-style-type: none"> <li>- the Board had four female Directors, which means that the proportion of female Directors remains at 44%;</li> <li>- since 2019, each of the three Board committees has been chaired by a woman;</li> <li>- six of the eight committee seats (75%) are held by women.</li> </ul>

## DIVERSITY AND COMMITMENT OF THE DIRECTORS

The following table provides a summary presentation of the personal information and experience of the Directors, as well as their commitment to TF1's corporate governance, as of 31 December 2019.

Ten of the Directors are French nationals, and one is a national of Monaco. Martin Bouygues and Olivier Bouygues are brothers; the company is not aware of any other close family ties between Board members.

	Status	Female Male	Age	Expertise	Board committees	First appointed	Current term expires	Years service on Board attendance	2019 Board meetings
<b>Executive Director</b>									
<b>Gilles Pélisson</b>	Not independent	M	62			2009	2022	11	8/8 meetings
<b>Independent Directors</b>									
<b>Marie Allavena</b>	Independent	F	59		Member Ethics, CSR and Patronage Committee	2019	2022	1	6/6 meetings
<b>Laurence Danon Arnaud</b>	Independent	F	63		Chair of Audit Committee	2010	2021	9	8/8 meetings
<b>Pascaline de Dreuzy</b>	Independent	F	61		Chair of Selection and Remuneration Committee, member of Audit Committee	2016	2022	3	8/8 meetings
<b>Catherine Dussart</b>	Independent	F	66		Chair of Ethics, CSR and Patronage Committee Member of Selection and Remuneration Committee	2013	2020	6	8/8 meetings
<b>Employee representative Directors</b>									
<b>Fanny Chabirand</b>	Not independent	F	43		Member of Selection and Remuneration Committee	2012	2020	8	7/8 meetings
<b>Sophie Leveaux Talamoni</b>	Not independent	F			Member of Ethics, CSR and Patronage Committee	2014	2020	6	7/8 meetings
<b>Non-independent Directors</b>									
<b>Martin Bouygues</b>	Not independent	M	67			1987	2021	32	8/8 meetings
<b>Olivier Bouygues</b>	Not independent	M	69			2005	2020	14	5/8 meetings
<b>Bouygues (represented by Philippe Marien)</b>	Not independent	M	63		Member of Audit Committee	2008	2021	12	7/8 meetings
<b>Olivier Roussat</b>	Not independent	M	55		Member of Selection and Remuneration Committee	2009	2022	11	6/8 meetings
Audiovisual and digital	International	Governance	Management	CSR	Finance				
<b>Average length of service of Directors: 10 years</b>					<b>Percentage of women: 44%<sup>(1)</sup></b>				
<b>Average age of Directors: 60</b>					<b>Percentage of independent Directors: 44%<sup>(1)</sup></b>				

(1) Excluding employee representative Directors.

## 3.2.2 PRINCIPLES ON WHICH CORPORATE GOVERNANCE OPERATES

### GOVERNANCE ARRANGEMENTS

The Board is required by law to elect one of its members (who must be a natural person) as Chairman, to organise and direct the work of the Board and ensure that the company's management bodies function properly. By law, the Board may choose to delegate responsibility for the executive management of the company to either (i) the Chairman of the Board of Directors or (ii) another natural person, who may or may not be a Director.

### COMBINING THE OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Gilles Pélisson was appointed as Chairman and Chief Executive Officer at the Board meeting of 17 February 2016, and was confirmed in April 2016 and April 2019 when his reappointment as a Director was approved by the Annual General Meeting.

On the advice of the Director Selection Committee, the Board of Directors concluded that it was preferable not to separate the role of Chairman from that of Chief Executive Officer (given the size of the TF1 group, the specialist nature of its business, and past experience that the proposed governance structure was effective).

The Board has not appointed a Lead Director or Vice Chairman, believing that such appointments are not necessary for the following reasons:

- TF1 is a controlled company and 44% of its Board members qualify as independent, which is above the one-third threshold set by the AFEP/MEDEF Code;
- the way in which the Board and its committees operate allows all Directors complete freedom of judgment and total independence, Board members deal directly with the Chairman and CEO, and have regular access to information about the Group;
- when evaluating the Board, each Director gave a "positive" or "very positive" rating for how both the Board and its committees operate; they also commented that the information they received was precise, the decision-making process was clear, they were free to speak their minds, and agenda items were fully discussed;
- careful attention is paid to preventing conflict of interests;
- shareholder relations with the Board of Directors, especially on corporate governance issues (which according to Article 4.4 of the AFEP/MEDEF Code may be entrusted to a Lead Director), are handled by the Chairman & CEO and the Chief Financial Officer, supported by the Head of Financial Communications. The Board is informed about shareholder expectations as required.

### EXECUTIVE MANAGEMENT

In accordance with the law, the Chief Executive Officer has the broadest powers to act in the name of the company under all circumstances. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly accorded by law to Shareholders' Meetings and to the Board of Directors.

### LIMITS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The measures in place to balance the exercise of executive powers with the powers of the Board of Directors contribute to good governance within the TF1 group.

The Board's Rules of Procedure specify which important decisions must be taken by the Board:

- the Board of Directors, with the assistance of an ad hoc committee if needed, examines and makes decisions on operations of real strategic importance;
- the strategic priorities, business plans and financing policy for each business segment and the Group are presented to the Board for approval;
- the Board must give its prior approval for any transaction regarded as being of major significance for the Group including investments, organic growth, external acquisitions, disposals, or internal restructuring, particularly where the transaction is outside the scope of the company's stated strategy;
- Board approval is required for the principal guarantees and major commitments entered into by the Group.

The TF1 Board of Directors met eight times in 2019. It approved all corporate actions – in particular, acquisitions and disposals – likely to materially affect the Group's financial results, balance sheet structure or risk profile. One Board meeting was devoted specifically to the three-year plan, with a focus on the strategic context.

In addition, a number of practices (some of them long-established) contribute to the good governance of the company and place limits on the powers of the Chairman and Chief Executive Officer. These include:

- the Board's Rules of Procedure, which specify rules for how the Board and its committees operate, along with the Directors' Code of Conduct;
- the permanent Board committees: the Selection and Remuneration Committee, the Audit Committee, and the Ethics, CSR and Patronage Committee;
- the presence of two employee representative Directors on the Board (since the privatisation of TF1 in 1988), of whom one sits on the Ethics, CSR and Patronage Committee (since 2014) and the other on the Selection and Remuneration Committee (since 2015);
- the presence of independent Directors on the Board and its committees (since 2003);
- the adoption of four compliance programmes that supplement the Code of Conduct in the fields of anti-corruption, conflicts of interest, securities trading and competition;
- Committee of independent Directors: held annually and attended solely by the independent Directors, at which they can freely discuss any issue.

**AGE LIMIT**

The Articles of Association set the age limit for holding office as Chairman of the Board of Directors, Chief Executive Officer or Deputy Chief Executive Officer at sixty-seven years.

**EXECUTIVE COMMITTEE**

Gilles Pélisson and nine senior executives comprise the Executive Committee (EXCO), for which he has direct responsibility. The EXCO reports to Gilles Pélisson and is the senior managerial body in terms of high-level strategic decision-making within the TF1 group.

The EXCO implements the overall strategic orientations determined by the Board. It meets once a week. Key issues discussed include a status report on advertising, financial results, digital initiatives and economic trajectory; an update by each member on the salient matters within his or her sphere of operations, including their staff; and a look forward to major future events. A written record is kept of all decisions.

As of 31 December 2019, there were 10 EXCO members.

Alongside the Chairman and Chief Executive Officer are nine key executives:

- operational:
  - Ara Aprikian: Executive Vice President, Content,
  - François Pellissier: Managing Director of TF1 Pub and Sport,
  - Thierry Thuillier: Executive Vice President of News;
- transverse:
  - Olivier Abecassis: CEO of Unify,
  - Christine Bellin: Vice President, Strategy and Customer Distribution, CEO of e-TF1, CEO of TF1 Distribution
  - Maylis Çarçabal: Vice President, Communication and Brands;
- support:
  - Arnaud Bosom: Executive Vice President, Human Resources and CSR,
  - Jean-Michel Counillon: General Counsel,
  - Philippe Denery: Executive Vice President, Finance and Procurement.

EXCO members and Bibiane Godfroid, CEO of Newen, attend Board meetings on a regular basis to give the Directors insights into market conditions, business performance, new developments and strategy.

**SUCCESSION PLANNING**

Succession planning is in place.

The Selection and Remuneration Committee reviews succession planning every year.

**RULES GOVERNING HOW THE BOARD OPERATES**

The TF1 Board of Directors operates in accordance with legal and regulatory requirements, the company's Articles of Association, the Board's Rules of Procedure, and the recommendations of the AFEP/MEDEF Corporate Governance Code.

The Board of Directors meets as often as the interests of the company require.

Under the Rules of Procedure, the Board must meet at least once a quarter. In the first quarter, the Board closes off the financial statements for the previous financial year. In the second quarter, it reviews the first-quarter financial statements. In the third quarter, the first-half financial statements are closed off and the strategic priorities are presented to the Board for approval. In the fourth quarter, the Board reviews the third-quarter financial statements and analyses revenue and profit estimates for the current year and subsequent year; in addition, the business plans and financing policies of the Group and its business segments are submitted for Board approval.

All Directors have the same powers and duties. Decisions are taken collectively.

Board decisions are only valid if at least half of the Board members are present, and are taken on a majority of the members present or represented. In the event of a tie, the chair of the meeting has the casting vote.

**REMIT OF THE BOARD**

The Board has a key role in determining the strategy and key orientations of the company and the Group, while taking account of the social and environmental issues arising from its activities.

Consequently, the Board's sphere of action includes:

- the strategic orientations of the company and the Group;
- significant corporate actions including internal restructuring, and major investment decisions (including acquisitions and disposals) likely to materially affect the Group's financial results, balance sheet structure or risk profile;
- monitoring delivery on the above;
- information provided to the shareholders and the financial markets;
- such inspections and verifications as it deems fit;
- determining the remuneration of corporate officers.

Each Board meeting includes an update on corporate actions and events since the previous meeting, and on ongoing key projects likely to be completed before the next meeting. At least once a quarter, the Board is informed by the executive management about the company's financial position, cash position and commitments.

Between Board meetings, Directors receive all useful information about events or corporate actions that are material to the Group. More generally, they may request from the Chairman at any time all information or documents they regard as useful for fulfilling their remit.

**COMPETENCIES AND EXPERTISE OF DIRECTORS**

More than half of the Directors work in the French audiovisual industry or in telecoms. The other Directors have a very good understanding of the audiovisual industry. For details of the professional experience of the Directors, refer to section 3.1.3.

A number of factors combine to ensure that Board discussions and decision-making are of good quality: the Board members' experience and personal commitment, their ability to understand the challenges and risks facing the Group's businesses, and the good mix of backgrounds and specialist interests.

The Board of Directors is balanced, diverse, experienced, and responsible.

The Board has not appointed any non-voting Directors.

### DIRECTOR TRAINING

On being appointed to the Board, each Director is given a presentation on the company, its business segments, and the sectors in which it operates. This includes an induction programme in which the incoming Director meets the heads of each of the Group's main divisions. During their term of office, each Director may receive additional training from key executives of TF1 and its subsidiaries.

Each Director may also obtain further information on their own initiative, the Chairman being available at all times to provide the Board with explanations and information on significant matters.

During 2019, the Directors were shown the new technologies being deployed across the Group's various businesses.

### PROVIDING INFORMATION TO DIRECTORS

In general, Directors must be provided in advance with the information necessary for decision-making. During Board discussions, they should make recommendations in full possession of the facts. Decisions are taken collectively.

Directors receive regular information about the company and the Group, including strategic plans and business plans; information for monitoring the Group's operations and their revenues; the company's financial position, cash position and commitments; any event that has or may have a material effect on the Group's consolidated results; and key events affecting human resources and staffing levels.

Since the final quarter of 2017, Directors have had the use of a secure digital platform that enables them to access Board/committee documents and other useful documentation and information (schedule of meetings, notices of meetings, Articles of Association, Board Rules of Procedure, Corporate Governance Code, etc.).

### RULES OF CONDUCT - CONFLICTS OF INTEREST - RELATED PARTY AGREEMENTS - CONVICTIONS

Directors are bound by the rules of conduct in the AFEP/MEDEF Code and in the Code of Conduct appended to the Rules of Procedure of the Board of Directors. Those documents are available on the TF1 corporate website.

The Code of Conduct deals with the duty to be informed, the duty of regular attendance, multiple directorships, preventing and managing conflicts of interest, and preventing insider trading. Compliance programmes include rules of conduct on securities trading and the prevention of conflicts of interest.

The Board has also reaffirmed its practice of not allowing Directors to vote if they have a conflict of interest; they are required to leave the meeting when approval is granted, including when regulated agreements are being approved.

### UPDATE TO THE GROUP'S INTERNAL CHARTER ON REGULATED AGREEMENTS - PROCEDURE FOR ASSESSING ORDINARY AGREEMENTS - PUBLICATION OF REGULATED AGREEMENTS

The "Pacte" law made substantial changes to the legal regime governing regulated agreements. In the case of a listed company, the Board of Directors is now required to put in place a procedure to assess whether agreements qualify as "ordinary transactions contracted on an arm's length basis", and hence are exempt from the regulated agreements regime.

The Group's Internal Charter on Regulated Agreements, which describes the circumstances in which an agreement is subject to the regulated agreements regime, has been updated.

The company is currently aware of the following potential conflicts of interest:

- Bouygues, the controlling shareholder, is represented on the Board of Directors by Martin Bouygues, Olivier Bouygues, Philippe Marien and Olivier Roussat. Gilles Pélisson is bound by an employment contract with Bouygues;
- Martin Bouygues and Olivier Bouygues are brothers. The company is not aware of any other close family ties between Board members;
- Fanny Chabirand and Sophie Leveaux Talamoni are bound by employment contracts with TF1.

As far as the company is aware, there are no other service contracts between members of the Board of Directors and TF1 or any of its subsidiaries that provide for the award of any benefits under that contract.

As far as the company is aware, no potential conflicts of interest currently exist between the duties of Board members to the company and their private interests or other duties.

The Statutory Auditors' special report on related party agreements (see section 3.3 of this universal registration document) describes the agreements submitted to the Board of Directors for authorisation and on which Directors abstained from voting for reasons related to actual or potential conflicts of interest.

As far as the company is aware, in the last five years no member of the Board has been:

- convicted of fraud or associated with a bankruptcy, compulsory administration or liquidation;
- incriminated or publicly sanctioned by any statutory or regulatory authority, including professional bodies;
- prevented by a court from acting as a member of a Board of Directors, Management Board or Supervisory Board of a publicly listed company or from running such a company.



## EVALUATION OF THE BOARD OF DIRECTORS

In accordance with the Board's Rules of Procedure and the AFEP/MEDEF Code, the Board of Directors carries out an annual evaluation of how well the Board meets shareholder expectations. This involves a review of the composition, organisation and operation of the Board and its committees.

The evaluation has three key objectives:

- evaluate how the Board and its committees are operating;
- check that important issues are suitably prepared and debated;
- measure the actual contribution of each Director to the Board's work through his or her competence and involvement in discussions.

As in previous years, a detailed questionnaire designed to evaluate the performance of the Board and its committees was distributed to Directors and committee members by the Group Legal Affairs Director and Board Secretary. Nine of the ten questionnaires issued were returned (the same proportion as in 2017 and 2018). The responses were compared with those of the two previous years to measure progress.

The evaluation allows each Director to give an opinion on the composition and operation of the Board; the relevance of agenda items; the quality of the discussions; the level of information provided; the assessment of commitments made; the analysis of potential risks; and corporate strategy.

Given the steady progress made on corporate governance issues and the clear satisfaction expressed by the Directors (both during evaluations, and at meetings) on how the Board is operating, the Board has decided to continue with a self-assessment approach rather than retaining a third party.

In line with previous evaluations, the Directors expressed a "high" or "very high" satisfaction rating on the composition and operation of the Board and its committees, on the quality of the information provided, and on the commitment and accountability of their fellow Directors.

Directors also expressed their appreciation of:

- dialogue with the Chairman and the senior management team;
- the fact that one-off Board meetings were held specifically to discuss divestments or M&A activity;
- the quality of the work carried out in the committees;
- the periodic information supplied so that the Directors could work regularly;
- the induction and training pathway.

Some Directors emphasised the consistent progress achieved in corporate governance.

The progress achieved included taking into account comments and preferences expressed by Directors in previous years. For example, the Board obtained approval at the Annual General Meeting of 18 April 2019 of a new female independent Director with expertise in the digital sphere. The Board also explained to the Directors how the TF1 group had come into compliance with data protection regulations, and the IT security systems in place within the Group.

At the end of 2019, some Directors expressed an interest in addressing issues around fake news and climate challenges. The Ethics, CSR and Patronage Committee provided various insights at its 3 February 2020 meeting.

## WORK OF THE BOARD OF DIRECTORS IN 2019

The TF1 Board of Directors met eight times in 2019. The average attendance rate of Directors was 91%.

### Main issues discussed

#### Board Meeting of 30 January

- Sale of the operational side of Téléshopping's business (product sourcing, marketing and TV production).

Attendance rate  
**64%**

#### Board Meeting of 14 February

- 2018 business review and annual financial statements.
  - Audit Committee report and auditors' opinion on the financial statements.
  - Closing off the individual and consolidated financial statements; proposed appropriation of earnings, and Board reports.
- Remuneration Committee report: determination of the variable remuneration of the Chairman & CEO for the 2018 financial year, and of the rules applicable to determining his remuneration for the 2019 financial year. Long-term incentive arrangements for salaried senior executives.
- Director Selection Committee report: proposal to reappoint three Directors, and to appoint a new Director.
  - Ethics and CSR Committee report
  - Calling of the Annual General Meeting and finalisation of the agenda and proposed resolutions.
  - Examination of the draft Audiovisual Law, new rules on how soon after release films can be shown on TV, and CNC audiovisual production subsidies.
  - Progress report on the Salto platform project.
  - Exceptional purchasing power bonus.
  - Review of main claims and litigation involving the Group.
  - Extending the remit of the Board to include promoting the creation of long-term value by the company while taking account of the social and environmental issues relating to its activities. Amendment to the Board's Rules of Procedure.
  - Reclassification of the Aufeminin group.
  - Description of the share buyback programme.
  - New TF1 stock option plan.
  - Power to give guarantees: general authorisation up to €50m.
  - Press release.

Attendance rate  
**100%**

#### Board Meeting of 18 April

- Decision on combination or separation of the offices of Chairman and CEO.
- Reappointment of Gilles Pélisson as Chairman and CEO.

Attendance rate  
**91%**

#### Board Meeting of 29 April

- 2019 first-quarter business review and financial statements.
- Audit Committee report and auditors' opinion on the financial statements. Closing off the first-quarter financial statements.
- Examination of the draft Audiovisual Law. Opinion of the French Competition Authority on the broadcasting industry. Food advertising.
- Reclassification of the Neweb Division as part of Unify.
- Acquisition of De Mensen.
- Gender balance at work.
- Consultation with the Economic & Social Committee on strategic orientations.
- Press release.

Attendance rate  
**100%**

#### Board Meeting of 9 July

- Proposed acquisition of Canadian audiovisual distribution company Première Bobine (Reel One).
- Increase of the equity interest in Play 2.
- Merger of Music & Live Shows with Content.

Attendance rate  
**73%**

#### Board Meeting of 24 July

- 2019 first-half business review and financial statements.
- Audit Committee report and auditors' opinion on the financial statements. Closing off the first-half financial statements.
- Review of strategic priorities.
- "Sapin 2" law - implementation and status report.
- Draft Audiovisual Law - renewal of the LCI, TMC and TFX broadcasting licences.
- Review of main claims and litigation involving the Group.
- Press release.

Attendance rate  
**100%**

**Main issues discussed**
**Board Meeting of 29 October**

- 2019 third-quarter business review and financial statements.
- Audit Committee report and auditors' opinion on the financial statements.
- Closing off the third-quarter financial statements.
- Draft Audiovisual Law.
- Increase of the equity interest in Gamed!
- Renegotiation of the TF1 group voluntary profit-sharing agreement.
- Gender balance.
- Evaluation of the Board.
- Progress report on the Salto platform project.
- Share capital – formal confirmation of the increase in share capital by issuance of TF1 shares subscribed for under stock option plans, cancellation of repurchased TF1 shares.
- Press release.

**Board Meeting of 11 December**

- Strategy and three-year business plans.
- Major risk mapping.
- Draft Audiovisual Law.
- Report of the Director Selection Committee: merger of the Remuneration and Director Selection Committees, update to the Board's Rules of Procedure.
- Update to the Group Internal Charter on Regulated Agreements, procedure for determining whether agreements are ordinary or regulated, publication of regulated agreements.
- Review of regulated agreements, authorisation of regulated agreements.

The table below shows the attendance rate of individual Directors at Board and Committee meetings in 2019:

Attendance	Board of Directors		Audit Committee		Director Selection Committee		Remuneration Committee		Ethics and CSR Committee	
Gilles Pélisson	8/8	100%								
Marie Allavena	6/6	100%							1/1	100%
Martin Bouygues	6/6	100%			2/2	100%				
Olivier Bouygues	5/8	63%								
Fanny Chabirand	7/8	88%					1/1	100%		
Laurence Danon Arnaud	8/8	100%	4/4	100%						
Pascaline de Dreuzy	8/8	100%	4/4	100%						
Catherine Dussart	8/8	100%					1/1	100%	1/1	100%
Sophie Leveaux Talamoni	7/8	88%							1/1	100%
Philippe Marien	7/8	88%	4/4	100%			1/1	100%		
Olivier Roussat	6/8	75%			2/2	100%				

**COMMITTEE OF INDEPENDENT DIRECTORS**

Since 2015, the independent non employee representative Directors have held separate meetings every year so that they can freely discuss any issue. During 2019, the four independent Directors held one such meeting.

**BOARD COMMITTEES**

The Board of Directors may create one or more specialist committees, which function under its responsibility. The Board determines their composition and remit. Those committees are composed exclusively of Directors and assist the Board in its work.

Each committee issues proposals, recommendations and opinions, and reports to the Board of Directors. Until 11 December 2019, TF1's four specialist committees were the Audit Committee, the Selection and Remuneration Committee, the Director Selection Committee, and the Ethics and CSR Committee.

The Board meeting of 11 December 2019 decided to merge the Remuneration Committee with the Director Selection Committee, changing the membership of the Committee and amending the Board's Rules of Procedure accordingly.

Each committee consists of three or four Directors. Any person serving as Chairman, Chief Executive Officer or Deputy Chief Executive Officer of TF1 cannot be a member of any of the committees.

The Directors believe that these rules guarantee that the committees are independent and effective. The Chair of each committee, who has a casting vote, may not be a member of the company's management or executive bodies. The Audit Committee, Ethics and CSR Committee and Remuneration Committee are chaired by independent Directors.

Committee meetings are called by the Chair of the committee in question, or at the request of the Chairman of the Board of Directors. Opinions are delivered on a simple majority vote of the members. Each committee reports on its work to the next Board meeting.

Before deliberating on any issue within the sphere of a committee's competence, the Board of Directors refers the matter to that committee and takes account of the minutes and report of that committee. The Board of Directors regularly sets up ad hoc committees specifically tasked with examining acquisition or development proposals. The independent Directors appreciate the opportunity to set up such committees, and review committee meeting minutes carefully.

## **AUDIT COMMITTEE**

### **COMPOSITION AND ATTENDANCE**

In accordance with the AFEP/MEDEF Code, two thirds of the committee's members are independent and none is an executive officer. Ever since the committee was set up on 24 February 2003, its members have been chosen for their financial or accounting expertise. The Audit Committee comprises Laurence Danon Arnaud (Chair) and Pascaline de Dreuz, both of whom are independent Directors, and Philippe Marien. The committee members have through the course of their careers gained a wealth of experience in corporate management, as well as in economics and finance. Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate at all meetings.

### **REMIT**

The Audit Committee is governed by Rules of Procedure that specify its remit and are regularly amended by the Board of Directors.

Four meetings are scheduled each year, during which the committee reviews the quarterly, half-year or annual financial statements, plus cash management reports and the conclusions of the Internal Audit and Internal Control Departments before they are submitted to the Board. The committee is tasked with overseeing issues relating to the preparation and audit of accounting and financial information.

In particular, it oversees:

- the process for preparing financial information, which involves the committee:
  - examining the individual and consolidated financial statements before they are presented to the Board,
  - ensuring that the accounting policies used to prepare the financial statements are appropriate and consistently applied,
  - examining changes that have a material impact on the financial statements,
  - examining the principal estimates, judgements and elective treatments used in preparing the financial statements, and the main changes in the scope of consolidation,
  - approving materials used for financial communication purposes, and monitoring the reaction of the financial markets;

- the effectiveness of internal control and risk management systems;
- internal control procedures for the preparation of the financial statements, with assistance from internal departments and competent external advisors;
- the audit of the individual and consolidated financial statements by the Statutory Auditors, and the independence of the Statutory Auditors, which involves the committee:
  - examining in detail the fees paid to the Statutory Auditors by the company and the Group, and checking the size of those fees relative to the total fee income of each audit firm,
  - directing the procedure for selecting and reappointing the Statutory Auditors,
  - making recommendations on Statutory Auditors whose appointment is submitted to the Annual General Meeting for approval;
- all reports and recommendations to the Board of Directors on the foregoing matters, not only on a periodic basis and at accounting closes, but whenever warranted by a specific event.

To fulfil its remit, the committee has access to any accounting and financial documents it sees fit, and must be able to speak with the external auditors and with company employees responsible for financial statement preparation, cash management and Internal Audit without executive officers being present. The committee may hear observations from the Statutory Auditors without company representatives present, so that it can be sure the auditors have had full access to information and have all the resources needed to discharge their responsibilities. The Statutory Auditors present to the committee a summary of their work and of elective accounting treatments used at accounting closes.

The committee reports on its work at the next meeting of the Board of Directors, and informs the Board without delay of any difficulties encountered. The deliberations of the Audit Committee, and the information communicated to the committee, are highly confidential and may not be divulged outside the Board of Directors.

### **WORK OF THE AUDIT COMMITTEE IN 2019**

The committee met four times in 2019 and once in the first two months of 2020. The following were invited to each meeting: the Executive Vice President, Finance and Procurement; the head of Accounting, Tax, Treasury and Financing; the head of Internal Audit and Control; and the Statutory Auditors. Minutes of the proceedings of each meeting were compiled and presented to the Directors. During the examination of the financial statements the Statutory Auditors provided the committee with a note pointing out key aspects of the scope of consolidation, the audit findings, and the elective accounting treatments applied. The Executive Vice President, Finance and Procurement also submitted a report describing risk exposure and the company's major off-balance sheet commitments. The main recommendations of the Statutory Auditors gave rise to an action plan and a monitoring procedure. The Audit Committee also monitored progress on the audit plan, analysed the year-on-year change in the share price, and reviewed major litigation and financial and legal risks.

## REMUNERATION COMMITTEE

### COMPOSITION AND ATTENDANCE

In accordance with the AFEP/MEDEF Code, the Remuneration Committee is chaired by an independent Director, and none of its members is an executive officer. The Remuneration Committee was created in 1988.

Before it was merged with the Director Selection Committee in December 2019, the committee's members were Catherine Dussart (Chair and independent Director), Fanny Chabirand (an employee representative Director), and Philippe Marien. Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate.

### REMIT OF THE REMUNERATION COMMITTEE

The Remuneration Committee is governed by Rules of Procedure that specify its remit and are regularly amended by the Board of Directors. The committee's remit is to:

- make proposals to the Board of Directors on the remuneration and benefits awarded to executive officers;
- propose rules for determining the variable remuneration of executive officers, and check annually that the remuneration is commensurate with the assessment of their performance and the company's medium-term strategy;
- make proposals for remuneration and incentive systems for senior executives, and for stock options and performance shares.

### WORK OF THE REMUNERATION COMMITTEE IN 2019

The committee met once in 2019 and once during the first two months of 2020. The committee gave the Board its opinion on the determination of the remuneration and supplementary pension of TF1's executive officer. It also met to review the terms and conditions of the new TF1 stock option plans granted by the Board of Directors in June 2019. Minutes of each meeting were compiled and presented to the Directors.

## DIRECTOR SELECTION COMMITTEE

### COMPOSITION AND ATTENDANCE

The Director Selection Committee was set up on 24 February and until it merged with the Remuneration Committee, its members were Martin Bouygues, Chair, and Olivier Roussat. Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate.

### REMIT OF THE DIRECTOR SELECTION COMMITTEE

The Director Selection Committee is governed by Rules of Procedure that specify its remit and are regularly amended by the Board of Directors.

The committee's remit is:

- to periodically examine issues relating to the composition, organisation and operation of the Board of Directors and to make recommendations to the Board;
- and in particular:
  - to assess possible candidates for directorships, bearing in mind that at least one-third of Board members must be independent Directors,
  - to examine proposals to create Board committees, and draw up a list of their powers and members,
  - to assess any measures required to fill executive officer posts that unexpectedly become vacant.

### WORK OF THE DIRECTOR SELECTION COMMITTEE IN 2019

The committee met twice in 2019 and once during the first two months of 2020. An assessment of the independence of Directors was discussed by the Director Selection Committee and reviewed by the Board of Directors prior to publication of the Annual Report.

The Director Selection Committee gave its opinion on the composition of the Board and recommended the Board of Directors to ask the Annual General Meeting of 18 April 2019 to reappoint Pascaline de Dreuz, Gilles Pélisson and Olivier Roussat as Directors, and to appoint Marie Allavena as a Director.

It also recommended that the Board appoint Pascaline de Dreuz (Chair), Fanny Chabirand (employee representative), Catherine Dussart and Olivier Roussat as members of the merged committee, having previously obtained assurance that both Pascaline de Dreuz and Catherine Dussart continued to have no business relationship with the TF1 group and still qualify as independent Directors.

Each of the committee's reports was presented to the Directors.

## ETHICS AND CSR COMMITTEE

### COMPOSITION AND ATTENDANCE

The Ethics and CSR Committee consists of at least two Directors. No executive officer may sit on the committee, which is chaired by an independent Director. A Director may not be appointed to the Ethics and CSR Committee if a corporate officer of TF1 is a member of a similar committee at a company in which that Director is himself or herself a corporate officer.

The Ethics and CSR Committee, formed on 24 July 2014, comprises Pascaline de Dreuz (chair) and Catherine Dussart, both of whom are independent Directors, and Sophie Leveaux Talamoni who is an employee representative Director.

Their career résumés are provided in section 3.1.3.

In 2019, the committee members had a 100% attendance rate.

### REMIT OF THE ETHICS AND CSR COMMITTEE

The Ethics and CSR Committee is governed by Rules of Procedure that specify its remit.

The committee's remit is:

- Ethics:
  - to help define rules of conduct or guiding principles to inspire the behaviour of executives and other employees,
  - to propose or offer an opinion on ways to promote exemplary professional behaviour,
  - to oversee compliance with those values and rules of conduct;
- CSR:
  - to examine at least once a year issues the Group is facing in terms of its responsibility to employees, the environment and society,
  - to give the Board its opinion on the CSR report required under Article L. 225-102-1 of the French Commercial Code

In fulfilling its remit, the committee can meet with the Chairman of the Board of Directors or any person designated by him. The committee reports on its work to the next meeting of the Board of Directors.

### WORK OF THE ETHICS AND CSR COMMITTEE IN 2019

The committee met once in 2019 and once during the first two months of 2020.

It reviewed key initiatives and issues in ethics, and the Group's Corporate Social Responsibility policy.

The committee acknowledged the many initiatives conducted in 2019.

It also expressed a favourable opinion on compliance measures implemented in 2018, including the impact of legal and regulatory changes on ethics and compliance within the TF1 group. These included:

- (i) work to bring the Group into compliance with the Sapin 2 law, including raising awareness of TF1 commitments to maintaining a culture of integrity, transparency and compliance; risk mapping and whistle-blowing; and the creation of the Multidisciplinary Committee;
- (ii) measures to ensure compliance with the new data protection requirements that took effect on 25 May 2018 and, in particular, the creation of the new Data correspondents' network.

The committee approved the proposed action plan for 2020.

In CSR, the committee examined initiatives taken by the Group during 2019 in areas such as diversity, gender balance, solidarity, sustainable development, upskilling of employees, and transparency of extra-financial reporting.

The committee expressed a favourable opinion and approved the proposed 2020 Action Plan, which continued along the same lines.

It recommended that the Board of Directors approve the section of the management report relating to consolidated social, environmental and societal information for the year ended 31 December 2019.

### SPECIFIC PROCEDURES FOR THE PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

Specific procedures for the participation of shareholders in General Meetings are described in section 7.5.4 of this universal registration document. Shareholder dialogue procedures are set out in section 7.3.2.

### FACTORS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

A description of factors liable to have an impact in the event of a public offer for TF1 shares is provided in section 7.5.9 of this universal registration document.