



Compensation policy of the Chairman - Chief Executive Officer and Directors

Pursuant to article R.22-10-14 IV of the French commercial law, Believe publishes the compensation policy submitted to the General Meeting of Shareholders on June 16, 2023, along with the results of the votes.

Resolutions n°7 et n°8 were adopted respectively by **99.81%** et **99.99%**.

I- Compensation policy of the Chairman - Chief Executive Officer

The Board of Directors refers to the recommendations of the AFEP-MEDEF Code for the determination, review and implementation of the compensation granted to corporate officers. In accordance with these recommendations, it ensures that the compensation policy complies with the principles of comprehensiveness, balance, comparability, consistency, transparency, and reasonableness, and considers market practices.

The compensation policy is reviewed and discussed by the Board on a regular basis to be in line with the Company's interest, to be consistent with the Company's commercial strategy and to support its sustainability. The principles of the compensation policy enable the executive to be aligned with the execution of the strategy and the long-term value creation, by creating a strong incentive, ensuring external competitiveness, and rewarding performance while ensuring the external and internal acceptability of compensation. These principles guide the structuring of the overall compensation, the choice of performance criteria and the setting of objectives.

The principles of the compensation policy adopted by the Board of Directors apply consistently to the Chairman and Chief Executive Officer and the Group's main executives. This compensation policy is based on the following pillars:

Alignment with the long-term strategy

The compensation policy for executives, corporate officers and non-corporate officers promotes the achievement of the Group's growth strategy and the long-term value creation. This pillar aims to ensure alignment with the interests of the shareholders.

Comparability and competitiveness

Ensure the competitiveness of the total compensation by comparing the compensation levels and structures with a stable and relevant panel of companies.

Fairness and internal consistency

Ensure fairness and consistency of the compensation paid within the Group. The Board, on the recommendation of the Appointment and Compensation Committee, ensures that the executive compensation policy is assessed in a consistent and fair manner, in line with the general compensation policy applied to all Group employees. As such, it is invited to give its opinion on the Group's general compensation policy and principles and is informed annually on the compensation reviews of the management teams.

In line with the corporate officers' compensation policy, the Board of Directors decided upon recommendation from the Committee for Appointment and Compensation during the March 20, 2023, meeting, to maintain for the 2023 fiscal year the general compensation structure for the Chairman and Chief Executive Officer, applicable in accordance with the 2022 fiscal year, and approved during the June 20, 2022 General Meeting of Shareholders.

Performance criteria and their weighting mostly remain unchanged since 2022: financial objectives are defined according to the budget and CSR goals are aligned with fixed CSR Group policy goals. However, adjusted EBITDA will now be monitored based on its evolution in percentage of sales, and a CSR objective has been replaced to align with the company's CSR strategy, *Shaping Music for Good*.

1.1 Fixed compensation

The fixed compensation is set at 233 333 euros for the fiscal year 2023. It remains unchanged since the fiscal year 2022 and represents 66,67% of the total annual compensation when targets are met.

1.2 Annual variable compensation

The target amount of the variable compensation of Mr. Denis LADEGAILLERIE is €116,667, i.e. 50% of the fixed compensation. No minimum payment is guaranteed.

In the event of outperformance, the variable compensation may reach 66% of fixed compensation, i.e. €154,000.

The variable compensation criteria are in line with the principles of the compensation policy aligning the interests of the Chairman and Chief Executive Officer with the Group's strategy. The variable compensation is made up of financial and extra-financial performance criteria, the nature and weighting of which are defined according to the Group's strategic priorities.

The Board of Directors, on the recommendation of the Appointment and Compensation Committee, sets the annual targets to be achieved.

Performance criteria

Criteria	Target		Maximum	
	As a % of fixed compensation	On target bonus	As a % of fixed compensation	On target bonus
Financial criteria	35%	70%	51%	102%
Revenue growth	17,5%	35%	25,5%	51%
Adjusted EBITDA	17,5%	35%	25,5%	51%
Extra-financial criteria	15%	30%	15%	30%
Gender parity	5%	10%	5%	10%
Training rate	5%	10%	5%	10%
ENPS	5%	10%	5%	10%

1.2.1 Financial criteria (70%)

The financial performance criteria are based on ambitious revenue growth and operating income (adjusted EBITDA) targets, defined as per the budget.

Financial objectives are set and assessed each year by the Board of Directors on the recommendation of the Appointment and Compensation Committee with the support of the Audit Committee.

The allocation scale for these financial targets may vary between 0% and 25.5% of the fixed compensation, respectively, depending on the level of achievement.

Variable compensation is paid at 50% of the target variable compensation at a target achievement rate of 80% and follows linear interpolation for an achievement rate of between 80% and 100%. This compensation can reach 146% if the target is 120% achieved. No payment is due if targets are less than 80% achieved.

1.2.2 Extra-financial criteria (30%)

The extra-financial performance criteria are based on quantitative objectives in line with the implementation of the Group's CSR strategy.

CSR objectives are set and assessed each year by the Board of Directors on the recommendation of the Appointment and Compensation Committee with the support of the CSR Committee.

Variable compensation is only paid in the event of an achievement rate of 100%. No outperformance is applied. Each criterion is assessed separately.

The allocation scale for the extra-financial performance criterion varies between 0% and 15% of the annual fixed compensation depending on the level of achievement of each objective.

1.3 Long-term variable compensation

The Chairman and Chief Executive Officer, who owns 12.49% of the Company, does not receive long-term variable compensation, in cash or equity.

The Board of Directors, on the recommendation of the Appointment and Compensation Committee, considered that alignment with the long-term interests of the Company's shareholders is ensured to the extent that Mr. Denis LADEGAILLERIE is a significant shareholder of the Company.

1.4 Compensation allocated for the term of office as director

As the compensation awarded for the office of director is only granted to independent directors, the Chairman and Chief Executive Officer does not receive any compensation for his office as a director of the Company.

1.5 Severance pay

The Chairman and CEO will not receive any severance pay.

1.6 Non-compete compensation

In order to protect the legitimate interests of the Group and its development in a highly-specialized sector, the Chairman and CEO would be subject, in the event of his departure, to a non-compete undertaking for a period of 24 months and would receive a monthly lump-sum payment equal to 50% of the highest average monthly fixed and variable compensation received during the 12- to 24-month period preceding the end of his term of office.

Any breach of the non-compete obligation would oblige the Chairman and Chief Executive Officer to repay the monthly non-compete indemnities already received and, where applicable, the Company would no longer be required to pay the monthly non-compete indemnities for the remaining period until the end of the two-year period and would reserve the right to claim damages for unfair competition.

At the end of the Chairman and Chief Executive Officer's term of office, the Board of Directors may decide to waive the non-compete obligation, the Chairman and Chief Executive Officer then being free from all the constraints of the non-compete obligation and the Company released from any commitment to pay the Chairman and Chief Executive Officer any non-compete compensation.

1.7 Other elements of compensation

The Chairman and Chief Executive Officer has no employment contract and does not benefit from any other element of compensation in respect of his office such as:

- Multi-year variable compensation;
- Extraordinary compensation;
- Supplementary pension plan.

1.8 Benefits in kind

The Chairman and Chief Executive Officer does not receive any benefit in kind.

1.9 Waiver in exceptional circumstances

No element of compensation, benefits or commitments of any kind may be awarded or paid by the Company if it does not comply with the compensation policy approved by the General Meeting of Shareholders.

However, in exceptional circumstances, the Board of Directors may waive the application of the compensation policy if this waiver is temporary, in the corporate interest and necessary to guarantee the sustainability or viability of the Company in accordance with the provisions of Article L. 22-10-8 of the French Commercial law.

The Board has decided to include this option in the compensation policy, when these exceptional circumstances arise from external events independent of a decision made by the Company and may have an impact on the criteria previously approved by the General Meeting.

The Board, on the recommendation of the Appointment and Compensation Committee, may adjust one or more criteria for annual variable compensation.

If such an exemption is used by the Board, the changes will be made public after Board meeting that approved them, it being understood that these adjustments must be justified and ensure the consistency of the interests of shareholders with those of executive directors.

In accordance with Article L. 22-10-34 of the French Commercial law, this practice would remain subject to the binding vote of the shareholders and the corresponding variable compensation would only be paid after approval by the next General Meeting.

1.10 Claw back clause

The compensation policy does not provide for any specific variable compensation repayment mechanism.

II. Compensation policy of Directors

On the recommendation of the Appointment and Compensation Committee, the Board of Directors freely distributes among its members the total annual amount allocated to the compensation of the Board by the General Meeting of Shareholders.

The Board examines the relevance of the level of directors' compensation in light of the duties and responsibilities of each director. The Board also relies on benchmarks carried out on companies of similar size.

Within the Board, only independent directors receive compensation for the performance of their office. This compensation is composed of:

- a fixed portion, in view of their duties as directors and, where applicable, as non-voting members or Chairman of a committee, it being specified that this portion is prorated for directors who joined or left the Board of Directors during the fiscal year,

- a predominant variable portion, based on their actual attendance in the meetings of the Board and committees,
- in addition, the Board may allocate extraordinary compensation to some of its members for assignments entrusted to them that do not fall within the scope of their mandate and are of a temporary nature. These missions or mandates are, where applicable, subject to the related-party agreement procedure (Article L. 225-38 of the French Commercial law).

Each director (including the non-independent directors) is entitled to reimbursement, on presentation of receipts, of travel expenses incurred by them in the performance of their duties, within the limits set by the applicable policy within the Company.

The amount of the envelope approved by the General Meeting of Shareholders on June 20, 2022, was set at 300 000 Euros and, the latter remains unchanged for 2023.

The compensation allocated to directors breaks down as follows:

- fixed compensation of €20,000 for Board members, plus fixed compensation of €2,500 for members of the Audit Committee (€5,000 for its chairman) and €1,250 for members of the Appointments and Remuneration Committee and the CSR Committee (€ 2,500 for their respective Chairmen),
- variable compensation capped at €25,000 for Board members, plus variable compensation capped at €2,500 for members of the Audit Committee (no more than €5,000 for its chairman) and €1,250 for the members of the Appointments and Remuneration Committee and the CSR Committee (no more than €2,500 for their respective chairmen), this variable compensation is paid in proportion to the attendance rate at Board and Committee meetings within the limits indicated above.
- The chairman of the Board does not receive any compensation in respect of his office.

Annual amounts <i>(in Euros)</i>	<u>Fixed compensation</u>		<u>Maximum variable compensation</u>	
	Chairperson	Member	Chairperson	Member
Board of Directors	-	20 000		25 000
Audit Committee	5 000	2 500	5 000	2 500
t and Compensation Committee	2 500	1 250	2 500	1 250
CSR Committee	2 500	1 250	2 500	1 250