

**Compensation items of Mr. Frédéric Rose,
Chief Executive Officer of Technicolor until November 5, 2019**

**Information disclosed in compliance with
the AFEP - MEDEF Corporate Governance Code of January 2020**

Paris (France) – March 31, 2020 - Pursuant to the AFEP-MEDEF Corporate Governance Code, Technicolor hereby discloses the decisions made by the Board of Directors regarding the compensation of Mr. Frédéric Rose, CEO of the Company until November 5, 2019.

As stated in the press release dated December 20, 2019 on the financial terms of the departure of Mr. Rose, the Board of Directors reviewed (i) his variable compensation for 2019 and (ii) the final number of Performance Shares to be vested to his benefit under the Long Term Incentive Plan 2017.

Variable compensation

The variable compensation of Mr. Rose depends upon the achievement of objectives which were precisely defined, to be assessed after the close of the fiscal year. The variable compensation amounts to 100% of the annual gross fixed compensation if the target objectives are achieved. It is to be paid in euros, U.S. dollars and pounds sterling according to the same distribution key as the fixed compensation.

The variable portion of Mr. Rose's compensation for 2019 was subject to the following performance objectives:

- A consolidated adjusted EBITDA target accounting for 20% of the target bonus:
 - if the consolidated adjusted EBITDA is not at least €206 million, no compensation would be paid in respect of that objective
 - if the consolidated adjusted EBITDA is €226 million, 100% of the compensation would be paid in respect of that objective
 - if the consolidated adjusted EBITDA exceeds €246 million, the compensation paid in respect of that objective could be up to 150% of the target compensation.
- A consolidated adjusted EBITA target accounting for 20% of the target bonus:
 - if the consolidated adjusted EBITA is not at least €20 million, no compensation would be paid in respect of that objective
 - if the consolidated adjusted EBITA is €40 million, 100% of the target compensation would be paid in respect of that objective
 - if the consolidated adjusted EBITA exceeds €60 million, the compensation paid in respect of that objective could be up to 150% of the target compensation.
- A consolidated Free Cash Flow objective accounting for 40% of the amount of the target bonus:
 - if the consolidated Free Cash Flow is not at least €(22) million, no compensation would be paid in respect of that objective
 - if the consolidated Free Cash Flow is €0 million, 100% of the target compensation would be paid in respect of that objective
 - if the consolidated Free Cash Flow exceeds €20 million, the compensation paid in respect of that objective could be up to 150% of the target compensation.



- A qualitative objective, the fulfillment of which was assessed by the Board of Directors, accounting for 20% of the amount of the target bonus which was linked:
 - for 5% to Gender equality: implementation of programs to ensure gender equality and the promotion of diversity
 - for 5% to Cybersecurity: maintaining of information security management system efficiency, to ensure the protection of information, content, systems and data
 - for 10% to a Strategic objective: continued transformation of Technicolor with a focus on strengthening Production Services.

The Board of Directors decided on December 20, 2019 that Mr. Rose would be entitled to keep his right to his 2019 variable compensation for the time he was CEO of Technicolor which would be prorated to the duration of his office (*i.e.* until November 5, 2019).

On February 18, 2020, the Board of Directors reviewed the performance of Mr. Rose for 2019:

- as the consolidated adjusted EBITDA was €244 million, the consolidated adjusted EBITDA objective was achieved with a grade of 1.463 (on a scale of 0 to 1.5)
- as the consolidated adjusted EBITA was €36 million, the consolidated adjusted EBITA objective was partially achieved with a grade of 0.825 (on a scale of 0 to 1.5)
- as the consolidated Free Cash Flow was €(161) million, the consolidated Free Cash Flow objective was not achieved
- with regard to the qualitative objective, the Board, considered *inter alia* that:
 - (i) the criterion related to gender diversity was achieved considering the implementation and monitoring of awareness tool (salary gap, promotion per gender, *etc.*), the number of women in the Management Committee and the improvement of several indicators such as training gap between men and women, percentage of women in top 200, hiring rate of women, *etc.*
 - (ii) the criterion related to cybersecurity was achieved considering the progress of the Cybersecurity program and the improvement of metrics such as training, implementation of new tools, completion of third party assessment, *etc.*
 - (iii) the criterion linked to strategy was not achieved.

Thus, the qualitative objective was partially achieved with a grade of 0.5 (on a scale of 0 to 1.5).

The overall achievement rate of Mr. Rose's objectives for 2019 is thus 55.76% and his variable compensation amounts to €483,235 on a pro-rata basis (amount reported converted into euros, even though it will be paid in part in U.S. dollars and in pounds sterling, based on the average exchange rates for 2019, *i.e.* £0.8776 for €1 and U.S.\$ 1.12058 for €1).

Payment to the CEO of the variable compensation is subject to approval by the shareholders at the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2019 of his compensation package, in accordance with Article L. 225-100 of the French Commercial Code.

Mr. Rose benefited from a car allowance in an amount of £8,871 for 2019, equal to €10,108.



Long Term incentive plan 2017

In 2017, Mr. Rose was granted 380,000 Performance Shares under the Long Term Incentive Plan 2017. The Board of Directors decided (i) that Mr. Rose would keep his right to these Performance Shares subject to achievement of the performance conditions set out in the Plan and (ii) that the number of Performance Shares that would vest would be pro-rated to the duration of his term of office compared to the total duration of the Plan (*i.e.* until November 5, 2019).

The Board of Directors reviewed the level of achievement of the performance conditions set by the plan and noted that the performance conditions were partially met and therefore 160,731 shares will vest to Mr. Rose under that plan.

All other compensation items paid or granted to Mr. Rose in 2019 are described in the press release dated December 20, 2019 on the financial terms of the departure of Mr. Rose.

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Technicolor shares are on the Euronext Paris exchange (TCH) and traded in the USA on the OTCQX marketplace (OTCQX: TCLRY).

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