Compensation items of Mr. Frédéric Rose,
Chief Executive Officer of Technicolor

Information disclosed in compliance
with the AFEP-MEDEF Corporate Governance Code of November 2016

Paris (France) – March 19, 2018 – 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, Chief Executive Officer of the Company.

Compensation of the Chief Executive Officer for 2017

Mr. Rose's compensation as Chief Executive Officer includes:

- A fixed portion which is paid in part in euros, US dollars and pounds sterling as follow:

Annual fixed compensation of Mr. Frédéric Rose

	Euros	Pounds Sterling	US Dollars
Distribution key:	20%	40%	40%
For his position held at:	Technicolor SA	Technicolor Limited (UK)	Technicolor Inc.
Amounts paid:	€200,000	£317,000	$516,800

This fixed compensation for 2017 is equal to €1,017,378 after conversion at the average exchange rates for 2017, *i.e.* £0.87485 for €1 and $1.13575 for €1.

- A variable portion which amounts to 100% of the annual gross fixed compensation if the objectives are achieved, and up to 150% if the objectives are exceeded. It is paid in euros, US dollars and pounds sterling according to the same distribution key as the fixed compensation.

  The variable portion of Mr. Rose's compensation for 2017 was subject to the following performance objectives:

  - A consolidated adjusted EBIDTA target of €477 million accounting for 40% of the target bonus;

  - A consolidated Free Cash Flow objective of €150 million accounting for 40% of the target bonus; and

  - A qualitative objective accounting for 20% of the amount of the target bonus, the fulfillment of which was assessed by the Board of Directors, relating to the development of new growth opportunities in connection with the Strategic Plan Drive 2020 and to continued market share gains for the Group's operating businesses.

On February 21, 2018, the Board of Directors reviewed the level of achievement of Mr. Rose's performance conditions for 2017 and recorded that the overall achievement of the 2017 objectives was 42%. Mr. Rose's variable compensation thus amounts to 42% of his fixed compensation, versus 65% for 2016. This results from the following elements:

- The consolidated adjusted EBITDA objective was not achieved;

- The consolidated Free Cash Flow amounting to €141 million (after adjustment), the consolidated Free Cash Flow objective was partially achieved with a grade of 0.55 (on a scale of 0 to 1.5);

- The qualitative objective recommended by the Board of Directors achieved a rating of 1.35 (on a scale of 0 to 1.5) reflecting the Group's continued strong market position notwithstanding a difficult environment and massive price increases of key components. Mr. Rose asked the Board to revise downward this achievement factor to better account for the overall Group performance and the related share price evolution. As a result, the Board of Directors agreed to trim this factor down to 1.

The adjustment performed by the Board of Directors on Free Cash Flow is applicable to the 2,370 beneficiaries of short-term variable compensation plans. It consisted in incorporating into the 2017 Free Cash Flow patent licensing revenues for the agreements concluded in December 2017 but received early January 2018. The Board of Directors considered that this adjustment was justified by the presentation under Discontinued operations of the Patent Licensing activity, following the announcement of December 18, 2017 of the planned sale. Consequently, said revenues are not taken into account for any future objective and a double counting for 2018 is excluded.

Mr. Rose's variable compensation thus amounted to €428,179 (after conversion into euros at the reference exchange rate). His total compensation (fixed and variable) therefore amounted to €1.45 million for 2017, to be compared to €1.67 million for 2016.

Determination of the annual variable compensation of Mr. Frédéric Rose (for 2017) (1)

	Target amount		Maximum amount		Realised
	Distribution key	Target amount	Maximum	Maximum amount	
EBITDA objective	40%	€406,951	60%	€610,427	0%
Free Cash Flow objective	40%	€406,951	60%	€610,427	22%
Qualitative objective: Drive 2020	20%	€203,476	30%	€305,213	20%
Total Variable					
As a % of fixed compensation	100%	€1,017,378	150%	€1,526,066	42%
Annual variable compensation, in €					€428,179

(1) For greater clarity, the amounts reported are converted into euros, even though the fixed and annual variable components of Mr. Rose's compensation are paid in part in U.S. dollars and in pounds sterling, based on the average exchange rate of fiscal year 2017, i.e. £0.87485 for €1 and $1.13575 for €1.

Mr. Rose benefits from a car allowance in an amount of £10,500 for 2017, equal to €12,002 on the basis of the reference exchange rate.

Long-Term Management Incentive Plan - LTIP 2017

Upon the Remunerations Committee's recommendation, the Board granted on March 9, 2017 to Mr. Rose 380,000 performance shares (*i.e.* 0,09% of the share capital on December 31, 2017). The performance shares will vest on April 30, 2020 subject to presence condition within the Group and performance conditions relating to the achievement of Adjusted EBITDA and Group Free Cash Flow objectives.

This grant was made under the 2017 Long-Term Incentive Plan (LTIP 2017) implemented by the Board of Directors on March 9, 2017 under the authorization granted by the Annual General Meeting of April 29, 2016 in its twenty-eighth resolution.

Performance shares granted to Mr. Rose during the 2017 fiscal year

No. and date of the plan	Number of shares granted during the year	Valuation of the shares	Vesting date	Availability date	Performance conditions
LTIP 2017 March 9, 2017	380,000	€1,436,020	April 30, 2020	April 30, 2020	Yes

Management Incentive Plan - MIP 2015

Mr. Rose was not granted any stock options during the course of 2017. Under the Management Incentive Plan (MIP 2015) implemented by the Board of Directors on May 23, 2013, and further to the review by the Board of Directors on February 22, 2017 of the level of achievement of the Free Cash Flow performance condition for 2016, the last tranche of 25% of the stock options awarded in 2013 (696,716 options) became exercisable on May 23, 2017. Pursuant to Article L. 225-185 paragraph 4 of the French Commercial Code, Mr. Rose must keep 20% of the shares resulting from the exercise of the options under the plan in registered form until he leaves office.

Variable compensation of the Chief Executive Officer for 2018

The Board of Directors held on February 21, 2018 defined the performance objectives regarding the variable portion of Mr. Rose's compensation for 2018, *i.e.*:

- a consolidated adjusted EBITDA target, accounting for 40% of the total target bonus;
- a consolidated Free Cash Flow target, accounting for 40% of the total target bonus; and
- a qualitative target representing 20% of the total target bonus, related to the continued transformation of Technicolor with a focus on strengthening Production Services.

Holdings of Mr. Rose in Technicolor shares

Mr. Rose's holding in Technicolor's share capital amounts to 660,565 shares on March 19, 2018, up 70,000 shares compared to the previous year, following acquisitions performed in 2018.

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About Technicolor

Technicolor, a worldwide technology leader in the media and entertainment sector, is at the forefront of digital innovation. Our world class research and innovation laboratories enable us to lead the market in delivering advanced video services to content creators and distributors. Our commitment: supporting the delivery of exciting new experiences for consumers in theaters, homes and on-the-go.
www.technicolor.com – Follow us: @Technicolor – linkedin.com/company/technicolor
Technicolor shares are on the NYSE Euronext Paris exchange (TCH) and traded in the USA on the OTCQX marketplace (OTCQX: TCLRY).

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