



## **COMPENSATION POLICIES FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE DIRECTORS APPROVED BY THE GENERAL MEETING OF 26 JUNE 2024**

In accordance with the provisions of article R. 22-10-14 IV of the French Commercial Code, Believe hereby publishes the compensation policies for the Chairman and Chief Executive Officer and the Directors, which were the subject of resolutions 11 and 12 respectively, of which **96.67%** and **99.99%** were approved by the General Meeting of Shareholders of 26 June 2024.

### **I- 2024 COMPENSATION POLICY OF THE CHAIRMAN - CHIEF EXECUTIVE OFFICER**

The Board of Directors refers to the recommendations of the AFEP-MEDEF Code in setting, reviewing and implementing the compensation granted to executive directors, as well as to the governance reports drawn up by bodies recognized in the market (the report of the High Committee on Corporate Governance, the AMF report on corporate governance and executive compensation, or the recommendations formulated by proxy advisers).

In accordance with these recommendations, it ensures that the compensation policy complies with the principles of comprehensiveness, balance, comparability, consistency, transparency and reasonableness, and takes into account market practices.

The compensation policy is reviewed and discussed by the Board on a regular basis in order to be in line with the Company's interest, consistent with the Company's business 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 objectives of long-term value creation, by creating strong incentives and by setting ambitious targets.

These principles aim to ensure external competitiveness and reward performance while guaranteeing the external and internal acceptability of compensation. They also guide the structuring of overall compensation, the choice of performance criteria and the setting of targets.

The compensation policy for the Chairman and Chief Executive Officer is based on **two components**:

- **fixed compensation** and
- **annual variable compensation**,

**both of which are short-term items of compensation.**

**Fixed compensation** is set by the Board on the recommendation of the Nomination and Compensation Committee in a fair and competitive manner, taking into account the Company's

corporate interests. Fixed compensation reflects the level of responsibility, experience, skills and performance of the Chairman and Chief Executive Officer.

It serves as the basis for calculating the target amount and ceiling of the annual variable portion.

**Annual variable compensation** is correlated with the market environment and the Group's strategy and performance.

This variable portion is based on an ambitious and incentivizing balance of performance, combining carefully selected financial and non-financial targets in view of their nature and challenges, notably those related to corporate social responsibility (CSR).

The Chairman and Chief Executive Officer, a significant shareholder of the Company holding 12.46% of the share capital as of December 31, 2023, does not receive long-term variable compensation. His shareholding alone guarantees a long-term commitment in line with the corporate interests of the Company and its stakeholders, including shareholders, of which he is one.

The compensation policy principles adopted by the Board apply in a coherent manner to the Chairman and Chief Executive Officer.

This compensation policy is based on the following pillars:

**Alignment with the long-term strategy**

The executive compensation policy promotes the achievement of the Group's growth strategy, as well as 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 consistent set of companies.

**Fairness and internal consistency**

Ensure fairness and consistency of the compensation paid within the Group. The Board, on the recommendation of the Nomination 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 express its opinion on the Group's general compensation policy and principles and is informed annually of any compensation reviews for the management.

The Nomination and Compensation Committee ensures a balance between the Company's corporate interest and the competitiveness of compensation, which is regularly assessed by drawing on external studies conducted by a consulting firm on the basis of a group of comparison of the same size (market value), performance and international dimension.

The Nomination and Compensation Committee, with the assistance of the Legal Department and the Human Resources Department, and in close collaboration with the Audit Committee and the

CSR Committee, analyzed the Chairman and Chief Executive Officer's compensation policy in order to verify its alignment with the rules of good governance.

This analysis made it possible to highlight that the overall compensation of the Chairman and Chief Executive Officer represented a substantially lower difference compared to the compensation practices in force on the market.

This finding led the Committee to open a discussion on an increase in the Chairman and Chief Executive Officer's overall compensation, in order to align it with his peers and with the Company's interests and performance.

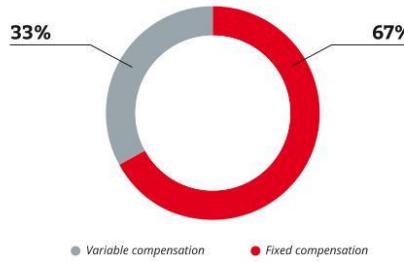
After due consideration, the Nomination and Compensation Committee decided to postpone this discussion until next year due to (i) the ongoing process regarding the proposed public tender offer initiated by the consortium and other associated issues and (ii) the upcoming renewal of the Chairman and Chief Executive Officer's term of office, which expires in 2025, which provides a more suitable period to review his overall compensation.

In view of the above, the Committee proposed to the Board of Directors the following compensation policy for the Chairman and Chief Executive Officer for the 2024 fiscal year:

- **retention of the general structure of the Chairman and Chief Executive Officer's compensation** for the 2023 fiscal year, as approved at the General Meeting of June 16, 2023;
- **amendment of two of the quantifiable non-financial criteria** in the annual variable compensation package to bring it further in line with the Company's CSR strategy.

The Board of Directors may depart from these compensation policies by amending, on the advice of the Nomination and Compensation Committee, the targets set and/or some of the criteria applied to the annual variable compensation or long-term compensation packages of corporate officers in the event that such an adjustment of targets and/or amendment of criteria becomes necessary as a result of the occurrence of exceptional circumstances (such as a change in accounting standards, a significant change in the scope of consolidation, the completion of a transformative transaction, a substantial change in market conditions or an unforeseen change in the competitive environment). Any such amendment of the targets and/or criteria that would aim to continue to reflect the actual performance of the Group and the executive would be made public and justified, in particular with regard to the Group's corporate interest. The payment of variable compensation would, under all circumstances, remain subject to shareholder approval.

## ***Summary of the Chairman and Chief Executive Officer's compensation for 2024***



### **Fixed compensation**

In his capacity as Chairman and Chief Executive Officer, Denis Ladegaillerie receives gross annual fixed compensation in the amount of €233,333, unchanged since the Company's IPO on Euronext in 2021.

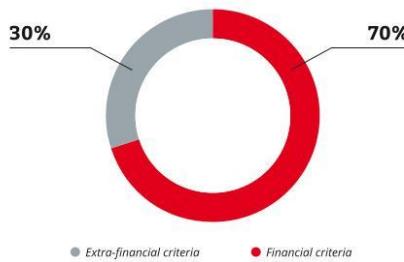
At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the Chairman and Chief Executive Officer's fixed annual compensation at €233,333.

This proposal will be submitted for approval to the General Meeting of June 26, 2024, which will be asked to approve the 2024 compensation policy for the Company's Chairman and Chief Executive Officer.

The Board took note of the opinion of the Nomination and Compensation Committee, according to which the fixed compensation of the Chairman and Chief Executive Officer could be reviewed in 2025 at the same time as the proposal to renew his term of office as director, which expires at the end of the General Meeting called to approve, in 2025, the financial statements for the 2024 fiscal year.

### **Annual variable compensation**

## ***Summary of the Chairman and Chief Executive Officer's annual variable compensation structure for 2024***



At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the target amount of variable compensation and the ceiling of annual variable compensation in the event of outperformance.

The **target amount of variable compensation** therefore remains set at 50% of fixed compensation, **representing €116,667, with no guaranteed minimum**, and the **ceiling for the annual variable compensation** remains set at 66% of fixed compensation, **representing €154,000**.

Variable compensation includes:

- **quantifiable financial criteria (70% of the target amount);**
- **quantifiable non-financial criteria (30% of the target amount).**
- **no payment will be made below 80% of the target level.**

All the criteria used, both financial and non-financial, are **of a quantifiable nature**, which goes well beyond the recommendation of the AFEP-MEDEF Code, which provides for a predominant portion of quantifiable criteria.

#### **Quantifiable financial criteria (70 % of the target amount)**

Financial targets are set and assessed each year by the Board on the proposal of the Nomination and Compensation Committee with the support of the Audit Committee.

At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to maintain the same criteria with the same weighting as the previous year, in order to assess their performance over time.

The financial performance criteria are based on two ambitious targets:

- **consolidated revenue with a weighting of 35%;**
- **consolidated adjusted EBITDA with a weighting of 35%.**

Variable compensation is paid at a rate of 50% of the target amount for a rate of achievement of 80% of the financial target, and follows a linear interpolation between 80% and 100%.

This compensation may reach 146% of the target amount if 120% of the financial target is achieved.

The three threshold levels (minimum, target and maximum) were set by the Board of Directors, on the recommendation of the Nomination and Compensation Committee, but the confidential nature of these thresholds with regard to the budget means it is not possible to disclose this information. However, the landing of these objectives will be communicated to the Annual General Meeting to be held in 2025, the approval of which will be conditional on the payment in 2025 of the annual variable portion.

No payment is planned for less than 80% of the achievement of targets.

Each target is assessed separately so that no compensation between the two is possible.

## Quantifiable non-financial criteria (30% of the target amount)

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

The non-financial objectives are set and assessed each year by the Board of Directors on the recommendation of the Nomination and Compensation Committee with the support of the CSR Committee.

At its meeting of March 13, 2024, the Board of Directors, on the recommendation of the Nomination and Compensation Committee, decided to:

- **keep three non-financial criteria in the variable portion of the compensation with the same weighting as the previous year, and**
- **replace** the targets for gender parity and the training rate among employees **with more targeted and therefore more ambitious targets** based on the **percentage of women managers** and the **training rate for managers**. These new targets are part of the Company's CSR policy, Shaping Music for Good. Believe aims to increase the proportion of women among managers, in order to achieve a level of gender diversity close to that achieved among employees (45.6% in 2023). The Group also wishes to pay particular attention to the training of its managers, who have an important role to play in the management and commitment of the teams and the implementation of the strategy. Lastly, the eNPS criterion, which measures the level of recommendation of Believe as an employer by all employees, is maintained.

The three non-financial performance criteria are therefore based on three incentive targets:

- **Percentage of women managers (10%);**
- **Percentage of managers trained (10%);**
- **eNPS<sup>1</sup> (10%).**

The scale for awarding the non-financial performance criterion varies between 0% and 30% of the target amount.

No outperformance as regards non-financial criteria.

Each target is assessed separately so that no compensation between the three is possible.

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<sup>1</sup> eNPS = employee Net Promoter Score, recommendation of Believe by employees.

## SUMMARY OF THE STRUCTURE OF THE 2024 ANNUAL VARIABLE COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	Weighting	Reference amount (in €)	Thresholds (%)		
			Min (%)	Target (%)	Max (%)
<b>Quantifiable financial criteria</b>	<b>70%</b>	81,666	<b>80%</b>	<b>100%</b>	<b>120%</b>
Consolidated revenue	35%	40,833	N/C	N/C	N/C
consolidated adjusted EBITDA	35%	40,833	N/C	N/C	N/C
<b>Quantifiable non-financial criteria</b>	<b>30%</b>	35,000		<b>100%</b>	<b>100%</b>
Percentage of women managers	10%	11,666	NA	38.9%	38.9%
Percentage of managers trained	10%	11,666	NA	50%	50%
eNPS (employee Net Promoter Score)	10%	11,666	15	16	16
<b>TOTAL</b>	<b>100%</b>	<b>116,667</b>			

Pursuant to the provisions of Article L. 22 10 34 II. of the French Commercial Code, the annual variable compensation of the Chairman and Chief Executive Officer may only be paid after being approved by the General Meeting.

### ***Long-term variable compensation***

The Chairman and Chief Executive Officer, who owns 12.46% of the Company as of December 31, 2023, does not receive long-term variable compensation, in cash or shares.

The Board, on the recommendation of the Nomination and Compensation Committee, considered that alignment with the long-term interests of the Company's shareholders is ensured to the extent that Denis Ladegallerie is the founder of the Group and a significant shareholder of the Company.

### ***Compensation allocated for the term of office as director***

The Chairman and Chief Executive Officer does not receive any compensation for his office as a director of the Company.

### ***Severance pay***

The Chairman and Chief Executive Officer will not receive any severance pay.

### ***Non-compete compensation***

In order to protect the Group's interests as well as its development in a highly specialized sector, the Chairman and Chief Executive Officer would be subject, in the event of his departure, to a non-compete commitment for a period of 24 months. In this respect, he would receive a monthly

lump sum payment equal to 50% of the average monthly fixed and variable compensation received during the 12- and 24-months 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 termination of the Chairman and Chief Executive Officer's term of office, the Board may decide to waive the non-compete obligation. The Chairman and Chief Executive Officer would then be free from all the constraints of the non-compete obligation and the Company would be released from any commitment to pay the Chairman and Chief Executive Officer any non-compete indemnity.

### ***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;
- exceptional compensation;
- supplementary pension plan.

### ***Benefits in kind***

The Chairman and Chief Executive Officer receives no in-kind benefits.

### ***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 the event of exceptional circumstances, the Board of Directors may waive the application of the compensation policy. This exemption must then be temporary, in line with the Company's interests and necessary to guarantee the Company's sustainability or viability in accordance with the provisions of Article L.22-10-8 of the French Commercial Code.

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

The Board, on the proposal of the Nomination 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 the Board meeting that approved them. These adjustments must be justified and maintain the alignment of the interests of the shareholders with those of the Chairman and Chief Executive Officer.

In accordance with Article L.22-10-34 of the French Commercial Code, 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.

#### **Claw back clause**

The compensation policy does not provide for a specific variable compensation repayment mechanism (claw back).

## **II. 2024 COMPENSATION POLICY OF DIRECTORS**

Pursuant to Articles L. 225-45, L. 22-10-8 and L. 22-10-40 of the French Commercial Code, the Board freely allocates, on the proposal of the Nomination and Compensation Committee, the total annual amount allocated to the compensation of its members.

To this end, the Board examines the appropriateness of the level of compensation of the directors with regard to the duties and responsibilities incumbent on each of them.

The Board also relies on comparative studies carried out on companies of a similar size and/or performing similar activities.

Only independent members of the Board, including the non-voting member if he or she is independent, receive compensation for the performance of their duties.

The Chairman of the Board, who is a non-independent member, and the directors qualified as non-independent do not receive any compensation for their office.

As part of its prerogatives, notably with regard to the compensation of corporate officers, the Nomination and Compensation Committee reviewed the compensation policy for corporate officers to ensure that the policy adopted and applied since 2023 still reflected the level of responsibility and involvement of its members, and to confirm that the policy remained in line with market practices.

At its meeting of March 13, 2024, the Board of Directors decided, on the recommendation of the Nomination and Compensation Committee, to maintain the overall annual budget allocated to the members of the Board of Directors as approved by the General Meeting of June 20, 2022, amounting to €. 300,000 and to maintain the compensation distribution criteria for the independent members of the Board of Directors and the three specialized Committees to which they belong.

This compensation is composed of:

- a **fixed portion**, linked to their duties as director and non-voting member and, where applicable, as a member or Chairperson of a Committee. This fixed portion is prorated for directors who joined or left the Board during the fiscal year;
- a **predominant variable portion**, based on their actual participation in the meetings of the Board and, if applicable, of the Committees in which they are members.

In addition, the Board may **allocate extraordinary compensation to some of its members** for assignments entrusted to them that do not fall within the normal scope of their mandate and are of a temporary nature. These missions or mandates are, where applicable, subject to the related-party agreement procedure referred to in Article L.225-38 of the French Commercial Code.

To this end, it should be noted that at its meeting of February 11, 2024, the Board of Directors decided, in accordance with stock market regulations, to set up an *ad hoc* Committee to oversee, notably, the entire public tender offer project initiated by the consortium (comprising Denis Ladegallerie, the EQT X investment fund and funds managed by TCV).

Following the creation of this fourth Committee, the Board of Directors, at its meeting of March 13, 2024, on the recommendation of the Nomination and Compensation Committee, also decided to provide compensation for the three independent members making up the *ad hoc* Committee by granting them **a fixed lump sum amounting to €5,000 for each of the two members** not acting as Chairperson, and **a fixed lump sum amounting to €10,000 for the Chairwoman**.

Whatever the circumstances, in the event of an exception to the implementation of the compensation policy, a publication on the amendment of this policy would be made public.

The compensation of the independent members and the non-voting member, where applicable, of the Board of Directors is based on a calendar year, covering the period from January 1 to December 31.

The compensation due to independent members and the non-voting member, where applicable, in respect of year N is paid to them in year N+1. Thus, the compensation due to the independent members of the Board of Directors in respect of the 2024 fiscal year will be paid to them in 2025.

Each member, including the non-independent members and the non-voting member, is entitled to the 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 at the Company.

The **fixed compensation allocated annually** to Board members breaks down as follows:

- each independent member of the Board of Directors receives compensation of €20,000;
- each independent member of the Audit Committee receives additional compensation of €2,500;

- each independent member of the Nomination and Compensation Committee receives additional compensation of €1,250;
- each independent member of the CSR Committee receives additional compensation of €1,250;
- each independent member of the *ad hoc* Committee receives additional compensation of €5,000;
- the independent Chair of the Audit Committee receives compensation of €5,000;
- the independent Chair of the Nomination and Compensation Committee receives compensation of €2,500;
- the independent Chair of the CSR Committee receives compensation of €2,500;
- the independent Chair of the *ad hoc* Committee receives compensation of €10,000.

The **variable compensation awarded annually** to independent members and the non-voting member, where applicable, is calculated on the basis of their attendance at meetings of the Board of Directors and, where applicable, at the Committees of which they are members.

Annual compensation is capped at:

- €25,000 for each independent member of the Board of Directors;
- €2,500 for each independent member of the Audit Committee;
- €1,250 for each independent member of the Nomination and Compensation Committee;
- €1,250 for each independent member of the CSR Committee;
- no variable compensation is allocated to the independent member of the *ad hoc* Committee;
- €5,000 for the independent Chair of the Audit Committee;
- €2,500 for the independent Chair of the Nomination and Compensation Committee;
- €2,500 for the independent Chair of the CSR Committee;
- no variable compensation is allocated to the independent Chair of the *ad hoc* Committee;

#### **SUMMARY TABLE OF THE BREAKDOWN OF THE OVERALL ANNUAL BUDGET ALLOCATED TO THE BOARD OF DIRECTORS**

Gross annual amount (In €)	Chair		Member	
	Fixed compensation	Variable compensation	Fixed compensation	Variable compensation
<b>Board of Directors</b>	-	-	20,000	25,000
<b>Audit Committee</b>	5,000	5,000	2,500	2,500
<b>Nomination and Compensation Committee</b>	2,500	2,500	1,250	1,250
<b>CSR Committee</b>	2,500	2,500	1,250	1,250
<b><i>ad hoc</i> Committee</b>	10,000	-	5,000	-