



PRESS RELEASE

Boulogne–Billancourt, 5th October 2020

Information on the financial terms relating to the termination of Mr. Eric Boustouller's office as Chief Executive Officer and to the compensation of Mr. Pierre Danon as Chief Executive Officer

Ordinary and extraordinary general meeting of Shareholders to be held on 27th November 2020

In a press release dated 31st August 2020, the Board of directors of Solocal Group announced the departure of Mr. Eric Boustouller from his position as CEO of Solocal Group, after termination of his office with effect from 4th October 2020. Mr. Pierre Danon, Chairman of the Board of Directors, will serve as CEO from 5th October 2020.

Financial terms of the termination of Mr. Eric Boustouller's office as CEO

On 2nd October 2020, the Board of Directors of Solocal Group, on the recommendation of the Compensation and Nominations Committee, has stated the financial terms of the forced termination of Mr. Eric Boustouller's office as CEO of Solocal Group.

Fixed compensation

Mr. Eric Boustouller shall receive the fixed portion of his compensation for the 2020 financial year calculated *pro rata temporis*, i.e. for the period from 1st January 2020 to 4th October 2020, the date on which his duties as CEO end.

Variable compensation

The variable compensation for the CEO is subject to the achievement of certain objectives, in accordance with the CEO's compensation policy approved by the general meeting of the shareholders dated July 24th 2020. The best estimate available to date of the achievement of these objectives is above 65%.

It is proposed that Mr. Eric Boustouller receive a variable compensation for the 2020 financial year, calculated *pro rata temporis* until the date of termination of his duties (*i.e.* from 1st January 2020 until 4th October 2020), in an amount equal to 65% of his annual fixed compensation, *i.e.* a gross amount of €256,736. The payment of this variable compensation for the 2020 financial year shall be subject to the prior approval of the general meeting of the shareholders of Solocal Group.

Performance Shares

Mr. Eric Boustouller holds performance shares under Solocal Group's "Long Term Incentive" plan (initial allocation: 1,000,000 shares; 2018 allocation: 2,300,000 shares; 2019 allocation: 1,500,000 shares; no allocation in 2020).

The 1,000,000 shares granted to Mr. Eric Boustouller when he became CEO of Solocal Group are not subject to performance conditions. The vesting and holding periods for these shares were one year. As these periods have expired, Mr. Eric Boustouller is already definitively owner of these shares. Mr. Eric Boustouller was subject to an obligation to hold two thirds of these shares until the end of his term of office, *i.e.* 4th October 2020.

The shares granted to Mr. Eric Boustouller in 2018 and 2019 are subject to a condition of presence and certain performance conditions. As the performance conditions have not been met for the 2018 and 2019 allocations, the corresponding shares shall not be acquired by Mr. Eric Boustouller.

Non-competition undertaking

The Board of Directors has decided to exempt Mr. Eric Boustouller from complying with his twelve-month non-competition undertaking. Consequently, Solocal Group shall not be required to pay Mr. Eric Boustouller the non-competition indemnity, which amounted to 6 months of his whole compensation calculated on the basis of the monthly average of his total gross compensation over the last 12 months.

Severance indemnity

Mr. Eric Boustouller is entitled to a severance indemnity equal to 18 months of his gross fixed and variable annual compensation, provided that he has achieved an average of at least 80% of his annual objectives over the last three years. This indemnity, applicable in the event of forced departure (*i.e.* any departure other than as a result of resignation or removal for serious misconduct, except, in the case of resignation, if it is due to a change of control of the Company within the meaning of Article L. 233-3 of the French Commercial Code) or a change

of strategy decided by the Board of Directors, was initially set by the Board of Directors on 11th July 2017. It was then duly approved by the shareholders at the 2018, 2019 and 2020 general meetings of the shareholders. If the departure takes place less than three years after beginning of his office, which is the case here since Mr. Eric Boustouller took up his duties on 11th October 2017, the annual objectives taken into account shall be those applicable during his period of presence within Solocal Group. The Board of Directors noted that the performance condition has been met by Mr. Eric Boustouller. Thus, in view of the forced nature of his departure and his decisive contribution to the company's strategy during his term of office, the Board of Directors confirmed at its meeting of 2nd October 2020 the eligibility of Mr. Eric Boustouller for the payment of this severance indemnity, which amounts to a gross amount of €1,560,000.

Moreover, the payment of the aforementioned indemnity is subject to the waiver by Mr. Eric Boustouller of any claim or recourse relating to the circumstances and conditions of the termination of his office.

Benefits in kind

Mr. Eric Boustouller shall benefit from the portability of his health and welfare plan.

Mr. Eric Boustouller shall also benefit from the use of his company vehicle until the end of 2020.

Mr. Eric Boustouller shall not benefit from any employment contract with any entity of the Solocal Group. He has resigned from his other mandates within the Solocal Group, with effect from 2 October 2020. Consequently, he shall not benefit from any payments other than those mentioned above from any Solocal Group entity upon the termination of his office as Managing Director of Solocal Group.

Compensation of Mr. Pierre Danon as Chief Executive Officer

On 2nd October 2020, the Board of Directors of Solocal Group, on the recommendation of the Compensation and Nominations Committee, stated the financial terms applicable to Mr. Pierre Danon as Chief Executive Officer.

Mr. Danon shall maintain his annual remuneration of €150,000 as Chairman of the Board of Directors (excluding the 25% reduction of this remuneration for the 2020 financial year relating to the containment period linked to the Covid-19 crisis) and shall, for the duration of the interim period, receive a remuneration for his position as Managing Director of €150,000 per year, paid in twelve equal monthly payments.

This fixed remuneration shall not be completed with benefits in kind or the allocation of performance shares. In addition, Mr. Danon shall not receive any severance pay and shall not be subject to a non-compete obligation at the end of his term of office as Chief Executive Officer.

In addition, Mr. Danon receives an additional compensation as a member of the ad hoc restructuring committee and the customer satisfaction committee of the Board of Directors. The gross amount of this remuneration will be €20,000 for the 2020 financial year.

The payment of this remuneration shall be subject to the prior approval of the general meeting of the shareholders of Solocal Group.

Ordinary and extraordinary general meeting of the shareholders to be held on 27th November 2020

On 2nd October 2020, the Board of Directors also decided to convene a general meeting of the shareholders of Solocal Group in order to decide, on an ordinary basis, on the appointment of new board members, the remuneration policy applicable to the Chief Executive Officer and to the board members and the elements of remuneration paid to Mr. Eric Boustouller until 4th October 2020 in respect of the financial year ending 31st December 2020 and, on an extraordinary basis, on the authorization to be given to the Board of Directors to grant free shares of the Company to employees or corporate officers of the Group.

The date of this general meeting has been set for 27th November 2020. Due to the Covid-19 crisis, it is specified that it will be a closed meeting.

A notice of the general meeting of the shareholders will be published shortly in the “*Bulletin des Annonces Légales Obligatoires*”.

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