

London, April 14th - 2020

Re: Lagardère 2020 AGM – Our resolutions for a Stronger Lagardère

Dear Fellow Shareholders,

We have submitted 15 draft resolutions to the agenda for the next General Meeting of Lagardère SCA ("**Lagardère**" or the "**Company**")¹ aimed at replacing almost all of the members of the Supervisory Board.

Unsurprisingly, the current Supervisory Board, which convened on 6th April 2020, unanimously issued a negative opinion on our draft resolutions – and Management has chosen to endorse this opinion.

Ahead of the unprecedented period that lies before us, the shareholders of the Company now, more than ever, need **the strongest possible corporate governance**. This will enable the Group to navigate the health crisis and to safeguard the future of the Company's core activities, in sectors that will be hit by the crisis (Travel Retail and Publishing).

We therefore believe it is urgent to break the current corporate governance gridlock by:

- **Restoring a Supervisory Board that is independent from Management** so as to finally exercise its full powers of oversight and control.
- **Ending the existing conflicts of interest**, notably to allow a consistent allocation of resources to the benefit of the Group's activities and stakeholders.
- **Ending the value destruction** reflected year after year in the restructuring and asset impairment costs incurred by the Group.

On May 5th, Lagardère shareholders can elect a new Supervisory Board which will be able to provide this fresh new impetus and restore a path of sustainable value creation for the benefit of all stakeholders.

On May 5th, your vote is decisive, vote for our resolutions!

¹ **Amber Capital UK LLP** (14-17 Market Place - Kent House, London, W1W 8AJ, United Kingdom), acting on behalf of the funds (i) Amber Active Investors Limited, (ii) Amber Global Opportunities Limited, (iii) Amber European Long Opportunities Fund, (iv) PrivilEdge - Amber Event Europe and (v) Amber Strategic Opportunities Fund and **Amber Capital Italia SGR SpA** (Piazza del Carmine 4, 20121 Milan, Italy), acting on behalf of Alpha UCITS SICAV/Amber Equity Fund (collectively "**Amber**").

We hereby wish to provide you with a more detailed account of our rationale in calling for immediate action for a Stronger Lagardère.

1. Management and the Supervisory Board are in denial of reality

The first point that strikes us upon reading the Supervisory Board's opinion and Management's message is the apparent denial of reality with respect to the results of the last 15 years: Management is pleased to have "*successfully and consistently implemented an ambitious transformation strategy over the last 15 years*"², whereas the Supervisory Board does not devote a single line of its opinion to these results.

This position is typical of the shortcomings that we have consistently criticised over the past four years: Management is self-congratulatory and does not draw any lessons from the past, whilst the Supervisory Board endorses this position and attitude without expressing the slightest criticism.

Unfortunately, the results of this approach are much less encouraging: **on average over the past one, five and ten years, the Lagardère share price has under-performed its peers in the CAC 40, SBF 120 and Stoxx Europe 600 Media indices by a wide margin (even in spite of the dividend distribution)**³. This chronic stock market under-performance is no coincidence. Instead, it reflects major strategic errors by Management, which we outline on our website www.strongerlagardere.com.

This apparent state of denial of Management and the Supervisory Board as to the Company's true financial situation is one of the main obstacles to the essential reforms that we believe must be implemented without further delay.

2. A responsible and necessary approach

Due to the criticisms directed at us by Management and the Supervisory board so as to avoid facing up to reality, let us remind you of the reasons for our initiative:

- We have been a shareholder of the Company for four years and built up almost all of our stake well before the Covid-19 health crisis - as evidenced by the timing of our declarations of regulatory threshold crossings.
- Our approach is based on an in-depth analysis of the Company and its situation that we have been trying to share with the Management and the Supervisory Board since 2016 - unfortunately without success.
- As the Company's largest shareholder, we are seeking, like you, **to give Lagardère the means to finally return to sustainable growth for the benefit of all of us.**

In line with this approach, we have been advocating since 24th March 2020 for a suspension of the dividend for the 2019 financial year in order to protect the Company from the effects of the current health crisis. As the largest shareholder of the Company, we will of course be adversely affected by this measure in the short-term⁴.

² Addendum to the General Meeting brochure, p. 3.

³ Please refer to page 8 of our presentation www.strongerlagardere.com.

⁴ See our press release, Appendix 1.

In contrast, it took two weeks for Management and the Supervisory Board to agree to Amber's request and reconsider its initial proposal of a simple reduction in the dividend, which was clearly insufficient in light of the current challenges faced by the Company.

Similarly, the decision announced tonight to temporarily reduce the remuneration of the members of the Executive Committee and the Supervisory Board was not spontaneous but is a mere reaction to the demand sent to the managing partner on the 9th of April⁵. Tonight's decision, which is insufficient in any event, as the full variable remuneration for 2019 will still be paid, illustrates once again the inability of the Company's current corporate governance to make independent decisions that benefit the Company's shareholders

3. Our resolutions for a Stronger Lagardère

Our proposal to replace the Supervisory Board is the essential prerequisite for the turnaround of this Group which is so desperately needed.

Only a renewed Supervisory Board will make it possible to break with the current dynamics at the Company by providing a fresh perspective on Lagardère that is totally independent of Management. This view is shared by each of the candidates put forward by Amber. The background and professional experience of each candidate is detailed on the website www.strongerlagardere.com.

Contrary to what the Supervisory Board states, **the effectiveness of a Supervisory Board** is not measured by the number of boxes ticked (attendance, size, recent renewals, etc.) but by **the effective implementation of "permanent oversight of the company's management" for which it is responsible, in compliance with the four pillars of good governance: responsibility, stewardship, independence and transparency.**

We consider that the Supervisory Board has failed in this role through its inability to take an objective view and to sufficiently distance itself from Management, whose decisions and strategy it has endorsed without the slightest criticism over the past 17 years, and by refusing to utilise and capitalise upon its legal rights.

The current health crisis must not be used as an excuse to justify such systemic failings and to delay the necessary reforms.

Thus, while the Supervisory Board endorses the virtues of continuity and the transfer of knowledge and skills to prepare for post-Covid-19, we consider it is now essential to break this dynamic in order to inject new momentum and enable the Group to emerge stronger from the health crisis.

The devastating effects of this crisis only increase the **urgent need to vote for our resolutions**. Due to the competitive markets in which the Company operates and the current health crisis of unprecedented scale, the very sustainability of the Company's businesses is at stake. This is exactly why we need to provide the Group with new improved corporate governance that is trustworthy, dedicated, independent and ready to deliver in the face of any challenge.

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⁵ See our open letter to Management Appendix 2

As the Group's largest shareholder, Amber Capital has a clear goal: promote the interests of the Company, its employees and its shareholders in order to unleash Lagardère's tremendous potential for value creation and to enable all stakeholders to benefit.

Together, we have the opportunity to take a major step in Lagardère's transformation at the General Meeting on 5th May 2020: make your voice heard, vote in favour of our resolutions!

Yours sincerely,

Amber Capital UK LLP & Amber Capital Italia SGR SpA

Joseph Oughourlian

Press Release

April 7th, 2020

Amber Capital succeeds in cancellation of unsustainable & inappropriate Lagardère dividend. Amber now recommends a significant reduction in remuneration

Amber Capital notes with satisfaction Lagardère SCA's decision finally to cancel its dividend payment. The cancellation had been requested by Amber Capital as early as 26 March 2020 in order to protect the company and its employees, after the Group had announced that it was unable to quantify the impact of the public health crisis on its 2020 results.

This dividend was neither sustainable nor appropriate.

The procrastination of the Supervisory Board, which has twice changed its position on this subject over the past eight days, illustrates once again that a change in governance is now critical and urgent; the Supervisory Board's sole interest should be the overall wellbeing of the company and its employees.

This decision by the Group must also now be accompanied by a significant reduction in the Executive Committee's and the Supervisory Board's remuneration, at a time when Lagardère's collaborators and partners are experiencing substantial difficulties.

LAGARDÈRE SCA

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For the attention of Mr. Arnaud LAGARDÈRE and Arjil Commanditée-Arco, represented by Mr. Arnaud LAGARDÈRE, managers of LAGARDÈRE SCA

Cc : Chairman of the Supervisory Board
London, 9 April 2020

Re: Lagardère announcements in the context of Covid-19

Dear Sirs,

We write further to recent announcements by Lagardère SCA (“**Lagardère**” or the “**Company**”) in response to the unprecedented turbulences affecting the Company due to the Covid-19 epidemic in order to share the following comments with you¹:

1. Regarding the measures announced by Management to protect the Company

We take note of the decision by Management and the Supervisory Board to:

- Propose the suspension of the dividend at the next General Meeting of shareholders – thereby reconsidering the initial announcement to simply reduce the dividend from 1.30 euro to 1 euro This earlier proposal was clearly not adequate in light of the current challenges faced by the Company.

¹ **Amber Capital UK LLP** (14-17 Market Place – Kent House, London, W1W 8AJ, United Kingdom), acting on behalf of the following funds: (i) Amber Active Investors Limited, (ii) Amber Global Opportunities Limited, (iii) Amber European long Opportunities Fund, (iv) PrivilEdge – Amber Event Europe and (v) Amber Strategic Opportunities Fund and **Amber Capital Italia SGR SpA** (Piazza del Carmine 4, 20121 Milan, Italy), acting on behalf of the Alpha UCITS SICAV/Amber Equity Fund (jointly “**Amber**”).

- Set up a “Covid solidarity fund” of 5 million euros, deducted from the amounts initially set aside to pay the dividend, in order to support the employees, associates and, where possible, business partners of Lagardère.

As the main shareholder of Lagardère, Amber faced up to its responsibilities right from the beginning of the crisis, consistently calling for measures to protect the Company and its employees and to strengthen the financial condition of the Company.

However, the shareholders and employees of the Group cannot be the only ones to make sacrifices: it would be inconceivable and irresponsible for the members of the Executive Committee and of the Supervisory Board to not make similar concessions in the wider interests of the Company they manage.

Therefore, we publicly express our wish to reduce the remuneration of the members of the Executive Committee and of the Supervisory Board for the 2019 financial year – a measure that many companies have already taken². We note in particular that if the members of Management gave up only their variable remuneration, more than 3 million euros could be saved and added to the 5 million euros allocated to the “Covid solidarity fund”.

We regret having to advocate such measures, which could – and should – have been announced already by Management and the Supervisory Board in order to demonstrate their solidarity with the Company, its employees and its shareholders. In this respect, the candidates to the Supervisory Board that Amber is proposing have indicated that, as far as they are concerned, they would reduce their remuneration by 25% if they are elected.

2. Regarding the 2020 General Meeting

We also take note of the decision of Management to maintain the initial date of the General Meeting of 5 May 2020 and therefore to hold this Meeting behind closed doors.

We believe it is essential that this decision be reconsidered otherwise it will severely prejudice the rights of shareholders.

As you are aware, Amber has submitted fifteen resolutions to the agenda for the Meeting in order to renew the mandate of almost all members of the Supervisory Board. Therefore, the Meeting will be a crucial moment for shareholders who will make a very important decision for the future of the Company.

Therefore, in order to enable shareholders to participate in person at the Meeting – provided the health situation permits – we request that you postpone the date of the Meeting until the end of June.

We are surprised that Management has not already taken this decision, since it reminded shareholders just yesterday of its commitment to maintaining transparency and a dialogue with all shareholders: the General Meeting is precisely the occasion where such a dialogue can and should take place.

² To provide just a few examples: Accor, Hermès, Michelin, Sodexo, etc.

Also, thanks to such a postponement the shareholders would maintain the hope of attending the Meeting in person in order to express their vote and to share their opinions. This would also allow the Company to invite the candidates to the Supervisory Board as proposed by Amber to attend the Meeting in order to permit shareholders the opportunity to meet them, ask questions and therefore make a more informed choice.

Once again, many companies have already taken the decision to postpone their General Meetings to preserve, as far as possible, the rights of their shareholders³.

This important issue applies even more to Lagardère this year.

Failing such a postponement, we request confirmation that, at the very least, a representative of Amber can physically attend the Meeting – respecting any health-related rules. This request is justified for two reasons: (i) Amber as the main shareholder of Lagardère and is a member of the bureau (*scrutateur*) and (ii) having added fifteen resolutions to the agenda, it is legitimate for Amber to be able to ensure a proper voting process is followed.

For the same reasons, we think it is essential – if the Meeting is to be held behind closed doors – that a bailiff can attend in person in order to follow the debates and discussions and to ensure that vote counting is undertaken correctly, and that these items are immediately made available to shareholders.

For that purpose, please inform us where the Meeting will be held.

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In view of the importance of these points to all stakeholders of Lagardère, we inform you that we have taken the decision to publish this letter on our website.

Regards,

Joseph Oughourlian

Amber Capital UK LLP and Amber Capital Italia SGR SpA

³ To provide just a few examples: Accor, PSA Groupe, Scor, Vinci, etc.