



## **Proxinvest longstanding call for governance reform at French company Lagardère SCA now implemented**

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Watchful of the respect of shareholders' rights, Proxinvest had always regretted the protective governance regime ("Société en Commandite par Actions") adopted by Lagardère because of the unequal treatment between shareholders, leading to excessive and costly managerial protectionism and an implied governance discount on the company's value.

Following the engagement of some key shareholders supported by Proxinvest, Lagardère' general meeting held on 30 June this year resulted in the adoption of new articles of association and a new governance structure that are more favourable to investors. Proxinvest then welcomed the "*significant governance improvements that have been long sought*": the new right of the board of directors to appoint and dismiss its executive officer, the end of the general partner's veto right on amendments to the articles of association, a strategy now defined by the board of directors, a remuneration policy defined by the board of directors, the end of the special dividend for the general partner and the end of a costly related-party agreement with Lagardère Capital Management, the family holding of Arnaud Lagardère

These changes in the articles of association and governance have transformed Lagardère' shareholder attractiveness. The basic rules of accountability towards shareholders have finally become fully applicable. The end of the management entrenchment mechanism has restored the mechanism of public offer Vivendi's proposed takeover bid project for Lagardère thus reflects this return to the usual market rules and offers a substantial premium to Lagardère shareholders who would like to tender their shares.

**Proxinvest is pleased to contribute to defending the values of good corporate governance and shareholder democracy for more than 25 years.**

*Proxinvest has been the only French voting advice agency, or "Proxy firm", for 26 years, specialising in general meetings, corporate governance and shareholder engagement. Its strategic ambition is to become the reference player in Corporate Governance for investors in Europe.*