

**VERALLIA SA**

A French *société anonyme à conseil d'administration* with a share capital of 416,662,128.22 Euros  
Registered office: 31 Place des Corolles, Tour Carpe Diem, Esplanade Nord, 92400 Courbevoie  
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**INTERNAL RULES OF THE BOARD OF DIRECTORS**

The members of the Board of directors of Verallia SA (hereafter the **Company**) wish to abide by the following operating rules which constitute the internal rules of the Board of directors.

These internal rules are intended to clarify the operating terms of the Board of directors of the Company and to supplement the legal and regulatory provisions and by-laws (*statuts*) of the Company.

These internal rules form part of the market recommendations aimed at compliance with the fundamental principles of corporate governance, and in particular those of the AFEP/MEDEF corporate governance Code for listed companies (the **AFEP-MEDEF Code**). They can be amended at any time by decision of the Board of directors.

These internal rules have been approved by the Board of directors of the Company on July 30<sup>th</sup>, 2020 at 12:30pm (CET).

**Article 1 - Composition of the Board of directors**

1.1 The Board of directors shall ensure the balance of its composition and of the composition of the committees that it may create, taking appropriate actions to ensure that its missions and the missions of such committees are executed with the necessary independence, competence and objectivity.

In accordance with the provisions of the AFEP-MEDEF Code, a Board member is considered to be independent if he or she has no relationship whatsoever with the Company, the group or its management which may compromise his or her freedom of judgment.

The Board of directors ensures that the proportion of independent members is of at least one third of the Board members, of at least two thirds of the Audit Committee members and of more than half of the Nomination and Compensation Committee members.

Directors representing employees are not taken into account in calculating the percentage of independent members.

With each renewal or appointment of Board member and at least once a year before the publication by the Board of directors of its report on corporate governance, the Board of directors shall evaluate the independence of each of its members (or candidates). During this evaluation, the Board of directors, after the consultation of the Nomination and Compensation Committee, shall assess on a case by case basis the qualification of each of its members (or candidates) in light of the criteria described below, particular circumstances and the relationship of the member with the Company. The conclusions of this review shall be brought to the attention of the shareholders in the report on corporate governance and, when required, to the general shareholders meeting when appointing members of the Board of directors.

The assessment of the independence of each member of the Board of directors shall take into account, in particular, the following criteria:

- not to be an employee or an executive officer of the Company, an employee or executive officer or member of the board of directors or of the supervisory board of any company which consolidates it, or of a company which is consolidated by it, and must not have held such position within the five previous years;

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- not to be an executive officer of a company in which the Company is directly or indirectly a member of the board of directors or of the supervisory board or, in which an employee appointed as such or an executive officer of the Company (either current or within the previous five years), is a member of the board of directors;
- not to be a customer, supplier, commercial banker, investment banker or significant professional adviser of the Company, its Group or for whom the Company or its Group represents a significant portion of business (nor to be directly or indirectly related with such person); the assessment of whether or not the relationship with the Company or the Group is significant shall be discussed by the Board of directors and the criteria leading to this assessment explained in the annual registration document;
- not to have any close family connection with an executive officer;
- not to have been an auditor of the Company within the previous five years;
- not to have been a member of the Board of directors for more than twelve years.

For Board members holding ten percent or more of the Company's share capital or voting rights, or representing a legal entity holding such participation, the Board of directors, upon a report by the Nomination and Compensation Committee, shall review the qualification of independence by taking specifically into account the shareholding structure of the Company and the existence of a potential conflict of interest.

The Board of directors may consider that a Board member who meets the above criteria may not be deemed to be independent considering his or her particular situation or the Company's, with respect to his or her shareholding or for any other reason.

Each member qualified as independent shall inform the Chairman, as soon as he or she becomes aware of it, of any change in his or her personal situation with respect to such criteria.

1.2 The term of office of the Board members shall be four (4) years, renewable.

In the event of vacancy due to death, age limit or resignation, the Board of directors may make, as the case may be, temporary appointments under the conditions provided for by law. The Board member appointed to replace another member whose term of office has not expired shall perform his or her duties only for the remaining term of office of his or her predecessor.

1.3 The Board of directors shall elect, among its individual members, a Chairman for a duration which shall not exceed the term of his or her office as Board member. He or she shall notably be responsible for convening the Board of directors and chairing the debates thereof.

1.4 The Board of directors may decide to create permanent or temporary committees, intended to facilitate the operations of the Board of directors and to provide effective support to the preparation of its decisions.

Such committees shall, under the responsibility of the Board of directors, be responsible for analysing the matters that the Board of directors or its Chairman may submit for their consideration and opinion in connection with the preparation of the works and decisions of the Board of directors. The composition, duties and operating terms of such committees are detailed in the internal rules specific to each committee, adopted by the specific committee and approved by the Board of directors.

To date, the Board of directors has created the following permanent committees: (i) an Audit Committee, (ii) a Nomination and Compensation Committee and (iii) a Sustainable Development Committee.

The Board of directors is considering the desired balance of its composition and that of the committees it sets up, particularly in terms of diversity (representation between women and men, nationalities, age, qualifications and professional experience...). In the report on corporate governance, the Board of directors shall publish a description of the diversity policy applied to its members, as well as a description of the objectives of such policy, its implementation procedures and the results of such policy obtained during the past financial year.

## **Article 2 - Obligations of the members of the Board of directors**

The acceptance and exercise of the office of Board member or Chairman imply the commitment to comply at any time with the conditions and obligations required by law, the by-laws of the Company and these internal rules, in particular with respect to the holding of multiple offices. Each Board member is subject to the following principles:

2.1 Before accepting his or her office, each Board member shall have to review the general and specific obligations assigned to him or her. He or she shall, in particular, review applicable legal and regulatory requirements, the by-laws of the Company and these internal rules.

2.2 Each Board member shall in all circumstances act in the interest of the Company.

2.3 Each Board member is bound to report to the Board of directors any conflict of interest, whether actual or potential, and shall refrain from attending the debate and taking part to the vote of any related resolution. Such obligation also applies to the observers (*censeurs*) appointed by the Board of directors in accordance with article 15.1 of the by-laws of the Company.

2.4 Each Board member must have the following essential qualities:

- he or she must be concerned by the corporate interest;
- he or she must have the quality of judgment, in particular of situations, strategies and people, based in particular on his or her own experience;
- he or she must have the ability to anticipate and identify risks and strategic issues;
- he or she must be honest, present, active and involved.

2.5 The acceptance of the office of Board member implies to dedicate the necessary time and attention to such office. In particular, each Board member undertakes not to seat in more than four (4) other board of directors or supervisory board of listed companies not affiliated with the Group, including foreign companies, and shall keep the Board of directors informed of any offices held in other companies, including when participating to board committees in any French or foreign companies.

2.6 Each Board member shall be diligent and take part, except in the case of a major impediment, to all meetings of the Board of directors and, as applicable, of any committee of which he or she may be a member.

2.7 Each Board member shall keep himself or herself informed in order to be in a position to contribute in a useful manner on the issues that are on the Board agenda. He or she shall request, in appropriate time, any useful information that he or she deems necessary to perform his or her duties.

2.8 With regard to inside information acquired while in office, each Board member shall be bound by a real professional secrecy, which goes beyond the simple obligation to maintain discretion as provided for by law.

2.9 Each Board member shall comply with the applicable regulations for market abuse and inside information. Moreover, he or she shall inform the Company and the French Financial Markets Authority of any transaction performed on the Company' shares in accordance with applicable legal and regulatory provisions. These provisions are subject to annual reminder to all Board members and timely information in the event of significant changes.

2.10 Each Board member shall own at least 100 Company's shares throughout his or her term of office and, in any case, no later than six months following his or her appointment. This obligation shall not apply to Board members representing the Group employees nor, by decision of the Board of directors, to directors representing shareholders whose internal procedures prohibit direct equity holdings by their representatives. Loans of shares by the Company to Board members are not allowed.

Upon taking up their duties, Board members are required to register their shares in their name. The same shall apply for any share purchased later.

2.11 Each Board member shall attend general shareholders meetings of the Company.

2.12 The Board of directors shall ensure that non-Board members who attend the meetings or participate in the works of the Board of directors or its committees, are also bound by a duty of confidentiality with respect to the information they have access to.

### **Article 3 - Duties and functions of the Board of directors**

3.1 The Board of directors performs the duties and exercises the powers granted by law, by-laws of the Company and these internal rules. The Board of directors shall determine the strategic directions of the Company's business activities and ensure implementation thereof. Subject to the powers expressly granted by law to general shareholders' meetings and within the scope of the corporate purpose, the Board of directors shall be vested with the power to consider any question concerning the proper operation of the Company and shall determine by its decisions the business of the Company. The Board of directors may conduct any such audits and investigations that it may deem appropriate.

3.2 The following decisions are subject to prior authorization by the Board of directors voting at simple majority of its members present or represented:

- Approval of, and/or change in, the medium term Group Business Plan and annual budget (including hedging policy);
- Any investment (excluding acquisitions) exceeding the Group annual budget, for an aggregate amount exceeding 10 million Euros;
- Any acquisition or disposal of assets or securities for an amount exceeding 10 million Euros and the entry into, amendment or termination of joint-ventures or partnerships representing more than 10 million Euros of revenues or capex;
- Any decision to take part in an activity which falls outside the usual frame of activities of the Group and any decision to stop or significantly reduce material activities of the Group;
- Any decision to grant guarantees or security interests to third parties (i.e. not a Group Company), to the exception of guarantees or security interests granted to public administrations or state-owned entities in the ordinary course of business;
- Any decision to participate in a project or to enter into an agreement with a maturity exceeding 5 years (including contracts with guaranteed rents) for an aggregate amount exceeding 50 million Euros;
- Any decision to settle or to initiate a dispute relating to a claim for an amount exceeding 5 million Euros or a claim having a material reputational impact on the Group;
- Additional financial indebtedness exceeding 50 million Euros;
- Changes to the articles of association of the Company or of any of its Material Subsidiaries (except for amendments of administrative nature); the term **Material Subsidiaries** means any subsidiary of the Company which consolidated revenue represents, for the previous financial year, more than 5% of the Company's consolidated annual revenue;
- Merger/demerger/winding up of a Material Subsidiary, excluding intra-Group reorganisations;

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- Issue of shares or securities granting access, whether immediately or in the future, to the Company's share capital, as well as any issue of shares or securities granting access, whether immediately or in the future, to the share capital of a Material Subsidiary, in each case to the benefit of a third party to the Group;
- Purchase or sale of real estate assets for an amount exceeding 10 million Euros;
- Any distributions, excluding distributions between wholly-owned subsidiaries;
- Any recruitment, suspension or dismissal of the members of the Group executive committee, any significant change in their compensation (including pension plans, profit-sharing plans or special departure conditions) and the entry into, amendment or termination of an agreement with any of them;
- The creation or amendment to stock option plans, stock subscription plans or plans for the attribution of free shares of the Company or of any other Group company (or any other similar instrument) to the benefit of the officers and/or employees of the Group or of certain categories of them;
- The implementation or change in any pension plan or any reorganisation of the workforce resulting in total restructuring costs for the Group exceeding 10 million Euros;
- Any significant change in the accounting principles applied by the Group companies for the preparation of their financial statements, except for amendments imposed by applicable law or accounting standards;
- The appointment, renewal or dismissal of the statutory auditors of the Company;
- Acquisition by the Company of its own shares;
- Delisting of the Company, listing of a Group company;
- The implementation of any insolvency procedure, dissolution or winding-up (or any similar procedure in each applicable jurisdiction), of the Company or any of its Material Subsidiaries.

Unless otherwise mentioned, the above list applies to the Company and its controlled subsidiaries within the meaning of article L.233-3 of the French Commercial Code.

**Article 4 - Information of the Board of directors**

4.1 The Board of directors and its committees are composed of high level, skilled and experienced people in international companies' life, each with the time and the willingness to participate meaningfully and with a high sense of the primacy of social interest, in the development of activities and performances of the Company and its group.

Following his or her appointment, each Board member may benefit from an additional training about the specifics of the Company and the companies it controls, their occupations and business sectors.

4.2 The Chairman shall provide the Board members, within sufficient time and except in case of emergency, with any necessary information or documentation so that they may perform their duties. Any Board member who considers he or she has not received enough information to be in a position to take a proper decision shall inform the Board of directors and request any necessary information or documentation that are necessary to perform his or her duties.

4.3 The Board of directors may hear the main managers of the Company, who may be convened to attend to Board meetings, to the exception of those Board meetings or decisions presenting the works of the Nomination and Compensation Committee on their own compensation and setting such compensation.

The Board of directors and the committees may also hear any experts in areas under their respective competences.

4.4 The Board shall be regularly informed of the financial situation of the Company and the Group. The CEO (*Président-Directeur Général*) or, in the event of separation of offices, the Chairman (*Président*) and the General Manager (*Directeur Général*), shall regularly provide the Board members with any information concerning the Company of which they may become aware and the communication of which they deem useful and relevant. In particular, they shall communicate to the Board of directors the annual, half-yearly and, as the case may be, quarterly consolidated financial statements and the annual budget.

4.5 Each Board member may meet the main managers of the Company, including without the presence of executive directors, subject however to the prior information of the latter.

#### **Article 5 - Meeting of the Board of directors**

5.1 The Board of directors shall be convened by the Chairman or one of its members by any means, including verbally. Convening notices may be addressed by the Secretary of the Board of directors. The author of the convening notices shall determine the agenda of the meeting.

5.2 The Board of directors shall appoint a secretary who may be chosen outside of its members.

5.3 The Board of directors shall meet at least four (4) times a year and, at any moment, as often as required by the Company's interests. The frequency and duration of the meetings shall allow in-depth review and discussion of the matters falling within the Board of directors' scope.

5.4 The meetings of the Board of directors shall be chaired by the Chairman; in the absence of the Chairman, they shall be chaired by a Board member appointed by the Board.

5.5 The Board of directors may only validly deliberate if at least half of its members is present. Board members are deemed to be present for purposes of forming a quorum or majority when attending meetings via videoconference or via telecommunication facilities allowing their identification and guaranteeing their effective participation, within the conditions set out in applicable legal and regulatory provisions. Some decisions of the Board of directors may, in accordance with conditions provided for under applicable legal and regulatory conditions, be taken by way of written consultation of the directors.

5.6 Each meeting of the Board of directors and of the committees set up by it shall be sufficient in duration to enable useful and meaningful debate of the agenda. The decisions shall be taken at simple majority of its present or represented members. In case of a split-vote, the chairman of the meeting shall have a casting vote.

5.7 Participation to the meetings of the Board of directors shall be recorded in an attendance register and minutes of the meetings shall be drafted, in accordance with the legal and regulatory provisions. The attendance register shall mention if any members participated via videoconference or via another telecommunication facility. The Secretary of the Board is authorized to issue and certify copies or extracts of the minutes of the Board meetings.

#### **Article 6 - Compensation of the members of the Board of directors and Committees**

Upon recommendation of the Nomination and Compensation Committee, the Board of directors:

- shall freely allocate among its members the attendance fees allocated to the Board of directors by the general shareholders' meeting, taking into account the effective participation of directors in the Board of directors and committees. A portion determined by the Board of directors and deducted from the amount of attendance fees allocated to the Board of directors shall be paid to the members of the committees, also taking into account their effective participation to such committees' meetings;
- shall determine the compensation of the Chairman;
- may also allocate exceptional compensation to some of its members for duties or mandates granted to them.

The Board shall review the adequacy of the level of attendance fees in light of the charges and

responsibilities of each of the directors.

**Article 7 - Assessment of the functioning of the Board of directors**

7.1 The Board of directors shall assess its capacity to meet shareholders' expectations by conducting periodic reviews of its membership, organization and functioning. To that purpose, once a year, the Board of directors shall, upon report of the Nomination and Compensation Committee, devote an item of the agenda to the review of its operating methods, to the verification that important matters are properly prepared and debated within the Board of directors, and to the measuring of the effective contribution of each Board member in the Board's work through his or her competence and involvement in deliberations.

This assessment shall be made on the basis of the replies to an individual and anonymous inquiry addressed to each Board member once a year.

7.2 A formal evaluation shall be performed at least once every three years, possibly under the leadership of an independent Board member, and, when appropriate, with help from an external consultant.

7.3 The non-executive Board members shall meet periodically, at least once a year, without the executives or "in-house" directors, in order, in particular, to assess the performance of the CEO (*Président-Directeur Général*) (or of the Chairman and General Manager if the two positions are separated), and, if applicable, performance of one or more deputy managing directors (*directeurs généraux délégués*) and to think about the future of the executive management.

7.4 The Board of directors shall assess under the same conditions and under the same frequency the operating methods of the permanent committees set up by it.

7.5 The report on corporate governance shall inform the shareholders of the evaluations carried out and of any steps taken as a result.

**Article 8 - Setting of internal Rules for Committees – Common provisions**

8.1 Any decision of the Board of directors within the area of competence of a committee shall be examined by the latter prior to its submission to the Board of directors. Any committee may issue non-binding written or oral recommendations to the Board of directors. As part of their duties, the committees may hear the managers of any Group company.

8.2 The committees shall meet as often as necessary. The Audit Committee and the Nomination and Compensation Committee shall meet at least twice a year. The Sustainable Development Committee shall meet at least once a year. A committee may be convened by any of its members or by the Chairman.

8.3 A committee is validly held if at least half of its members is present or represented. It shall deliberate at simple majority of its present or represented members, being specified that any member of a committee may be represented by another member of such committee.

8.4 Minutes of each committee meeting shall be prepared by a secretary appointed by the Chairman of the committee. The Secretary of the Board of directors may be appointed as secretary of each of the committees.

Attached hereto are the Internal Rules of each of the committees set up by the Board of directors.

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## **SCHEDULE 1**

### **INTERNAL RULES OF THE AUDIT COMMITTEE**

The Audit Committee is responsible for monitoring issues relating to the preparation and verification of accounting and financial information.

#### **Article 1 - Duties of the Audit Committee**

The role of the Audit Committee is to ensure the monitoring of issues relating to the preparation and verification of accounting and financial information and to ensure the effectiveness of the risks monitoring system and the operating internal control, in order to facilitate the Board's tasks of controlling and verifying thereof.

In this framework, the Audit Committee performs in particular the following specific tasks:

- (i) Monitoring of the process of preparation of financial information.

The Audit Committee shall review, prior to their presentation to the Board of directors, the annual and semi-annual, and if applicable quarterly, corporate and consolidated financial statements, and ensure that the accounting methods used for preparation of such financial statements are relevant and consistent. The Audit Committee will consider, if necessary, the major transactions through which a conflict of interests may have occurred.

The Audit Committee shall especially review provisions and their adjustments and any situation which may generate a significant risk for the Group, and any financial information or any annual or semi-annual report on the Company's activities, or prepared in the context of a specific transaction (merger, contribution, market transaction ...).

This review shall, to the extent possible, be completed at least two (2) days before the review by the Board of directors.

The review of the financial statements shall be accompanied with a presentation by the statutory auditors setting out the main points, not only concerning the results of the legal audit, in particular adjustments resulting from the audit and significant weaknesses in internal control identified during the works, but also the accounting methods chosen, and a presentation from the chief financial officer describing the Company's risk exposure and any material off-balance-sheet commitments.

- (ii) Monitoring of the effectiveness of internal control, internal audit and risk management procedures relating to accounting financial information and non-financial information.

The Audit Committee shall ensure the relevance, reliability and implementation of internal control, identification, hedging and risk management procedures of the Company relating to its activities and to the accounting financial information and non-financial information.

The Audit Committee shall also review risk exposures, including those of a social and environmental nature, and material off-balance-sheet commitments of the Company and its subsidiaries. The Audit Committee shall in particular interview the people in charge of internal audit and review on a regular basis the risk mapping of the Group. The Audit Committee shall also issue an opinion regarding the internal audit service's organization and be informed of its work schedule.

The Audit Committee ensures the existence, efficiency, deployment and implementation of corrective actions, in case of weaknesses or significant irregularities identified in the internal control and risk management procedures.

- (iii) Monitoring of the legal audit of the corporate and consolidated financial statements by the statutory auditors of the Company.

The Audit Committee shall obtain information regarding (inter alia), and monitor with the statutory auditors of the Company (including without the presence of the members of the executive management), their general work schedule, potential difficulties encountered in the course of their mission, changes to the financial statements of the Company or other accounting documents that they deem appropriate, accounting irregularities, anomalies or inaccuracies that they may have raised, significant uncertainties and risks relating to the preparation and processing of accounting and financial information and significant weaknesses in internal control they may have discovered.

The Audit Committee shall regularly interview the statutory auditors, including without the presence of the members of the executive management. The Audit Committee shall also interview the statutory auditors during meetings relating to the review of the process of preparation of accounting and financial information and non-financial information and the review of the financial statements, in order for them to give a report on their mission and the outcomes of their work.

- (iv) Monitoring of the statutory auditors' independence

The Audit Committee shall steer the procedure for selection and renewal of the statutory auditors, and submit the outcome of that selection to the Board of directors.

Upon expiry of the statutory auditors' term of office, the selection or renewal of the statutory auditors are preceded, upon proposal by the Audit Committee and decision by the Board of directors, by a tender offer supervised by the Audit Committee, which endorses the specifications and the choice of consulted firms, by ensuring that the best and not necessarily the lowest bidder is selected.

In order for the Audit Committee to monitor, during their term of office, the rules of independence and objectivity of the statutory auditors, the Audit Committee shall obtain communication each year of (among other):

- the declaration of independence of the statutory auditors;
- the amount of the fees paid to the network of statutory auditors by the companies controlled by the Company or by the entity controlling the Company with respect to services other than those relating to the certification of financial statements.

In addition, the Audit Committee shall also review with the statutory auditors the risks weighing on their independence and the protection measures taken in order to mitigate such risks. It shall in particular ensure that the amount of the fees paid by the Company and the Group, or the portion of such fees in the turnover of the relevant firms and their networks, are not likely to impair the statutory auditor's independence.

The statutory auditing assignment shall be exclusive of any other assignment not related to this mission in accordance with the code of ethics for statutory auditors and professional standards. The selected statutory auditors shall renounce, for themselves and the network that they belong to, any consulting work (e.g., legal, tax or information technology consulting) that they have been providing, directly or indirectly, to the Company. Regarding the companies controlled by the Company or the company controlling the Company, statutory auditors shall refer more specifically to the code of ethics for statutory auditors. However, subject to prior approval from the Audit Committee, services that are ancillary or directly complementary to statutory auditing may be performed, such as acquisition or post-acquisition audits, but exclusive of valuation or advisory services.

- (v) Compliance

The Audit Committee shall examine the processes and procedures in place to ensure

dissemination and application of the policy and good practices rules regarding ethics, competition, fraud and corruption, and more generally regarding compliance with applicable regulations.

In accordance with the Charter on regulated agreements and procedure relating to the assessment of agreements relating to ordinary transactions carried out under normal conditions adopted by the Board of Directors on April 28<sup>th</sup>, 2020, the Audit Committee shall carry out an annual review of the criteria used to identify ordinary transactions carried out under normal conditions in order to ensure that they are still appropriate and in line with market practice and shall analyse more particularly the normal feature of the financial conditions of the agreements it assesses.

The Audit Committee shall report regularly to the Board of directors on the exercise of its mission and shall immediately inform the latter of any difficulties it encounters.

#### **Article 2 - Composition of the Audit Committee**

The Audit Committee shall be composed of at least three (3) members, of which two (2) are appointed among independent Board members, upon proposal of the Nomination and Compensation Committee. The composition of the Audit Committee may be modified by the Board of directors, and in any case, shall be modified in case of change in the general composition of the Board of directors.

In particular, the members of the Audit Committee shall have special competence in financial and/or accounting matters.

All members of the Audit Committee must be provided, when appointed, with information relating to the Company's specific accounting, financial and operational features.

The term of office of the members of the Audit Committee shall match with their term of office as member of the Board of directors. It may be renewed at the same time as the latter.

The chairman of the Audit Committee is appointed among the independent Board members, after a specific examination, by the Board of directors and upon proposal of the Nomination and Compensation Committee. The Audit Committee may not include any officer of the Company.

The secretariat of the Audit Committee's works may be carried out by any person appointed by the Chairman of the Audit Committee or in agreement with him or her.

#### **Article 3 - Meetings of the Audit Committee**

The Audit Committee may hold valid deliberations, either in a meeting, or by phone or videoconference, under the same conditions as the Board of directors, upon convening by its Chairman or the secretary of the Audit Committee, on condition that at least half its members participate in its works.

Convening notices of meetings of the Audit Committee shall include an agenda and may be given verbally or by any other means.

The decisions of the Audit Committee shall be taken by a simple majority of the members participating to the meeting, each member holding one vote.

The Audit Committee shall meet as often as necessary and, in any event, no less than twice a year for the preparation of the annual and semi-annual and, if applicable, quarterly financial statements.

Meetings are held prior to the meetings of the Board of directors and, to the extent possible, at least two days prior to such meeting if the Audit Committee's agenda includes a review of the annual and semi-annual financial statements prior to their review by the Board of directors.

#### **Article 4 - Compensation of the Audit Committee**

The compensation of the Audit Committee members is set by the Board of directors upon proposal of the Nomination and Compensation Committee.

The expenses incurred by the members of the Audit Committee for holding its meetings (e.g. travels, hotels...) shall be reimbursed by the Company on presentation of supporting documents.

## **Article 5 - Works of the Audit Committee**

The Audit Committee shall obtain any resources it needs to carry out its assignment.

Within the strict framework of its mission, the Audit Committee may contact the main Company's officers after informing the Chairman of the Board of directors and subject to reporting back to the Board of directors thereon. The Audit Committee may also request external technical studies relating to matters within its competence, at the Company's expense and within the limit of an annual budget which may be decided by the Board of directors, after informing the Chairman of the Board of directors or the Board of directors itself and subject to reporting back to the Board of directors thereon. In such cases, the Audit Committee shall seek to ensure the objectivity of the concerned expert.

The Audit Committee may interview the statutory auditors of the Company and of the Group's companies, the chief financial officer, the heads of the accounting and treasury departments and the chief internal auditor. These interviews may be held, if the Audit Committee so wishes, without the presence of the members of the executive management. Moreover, it may ask the main managers to provide it with any information.

The Audit Committee shall receive all material documents within the scope of its responsibilities (e.g. notes from financial analysts, rating agency reports...). It may ask, if it wishes, additional studies.

The review of annual and semi-annual financial statements by the Audit Committee should be accompanied with a presentation from the statutory auditors setting out the main points of the results and accounting methods chosen, and with a presentation from the chief financial officer describing the risks exposure, including those of a social and environmental nature, and any material off-balance-sheet commitments.

The Audit Committee may give opinions or make recommendations to the Board of directors on all matters relating to the duties as described above.

The secretary of the Audit Committee shall prepare the minutes of each meeting of the Audit Committee, which minutes shall be addressed to its members and to the other members of the Board of directors.

The Audit Committee members and participants are subject to professional secrecy.

## **Article 6 - Miscellaneous**

The Audit Committee shall not, under any circumstances, replace the Board of directors. In the event of discrepancies between these internal rules of the Audit Committee, on the one hand, and the internal rules of the Board of directors, the by-laws of the Company or the law, on the other hand, the latter shall prevail.

## SCHEDULE 2

### INTERNAL RULES OF THE NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee plays a very important role in the composition and the compensation of the Executive Management and the Board of directors.

#### **Article 1 - Duties of the Nomination and Compensation Committee**

The Nomination and Compensation Committee is a specialized committee of the Board of directors which main missions are to assist the latter in (i) the composition of the Company's and its Group's management bodies and (ii) the determination and regular assessment of all the compensation and benefits to executive officers of the Company, including all deferred benefits and/or voluntary or forced severance packages of the Group.

#### ***Nomination missions***

In this framework, it performs in particular the following specific tasks:

*Proposals on the appointment of the members of the Board of directors, of the Executive Management and of the Board's committees*

The purpose of the Nomination and Compensation Committee is notably to make proposals to the Board of directors for the appointment of members of the Board of directors (by the general shareholders meeting or by way of co-optation) and members of the Executive Management, as well as members and Chairman of the committees of the Board of directors.

For that purpose, it shall give to the Board of directors motivated proposals. These proposals shall be based on the interest of the shareholders and the Company. In general, the Nomination and Compensation Committee shall endeavour to ensure to reflect a diversity of experiences and opinions, while ensuring a high level of competence, internal and external credibility and stability of the Company's corporate bodies. Furthermore, it shall draft and update a succession plan of the members of the Board of directors as well as of the main executives of the Company and the Group in order to be able to promptly propose succession solutions to the Board of directors in case, for instance, of an unforeseeable vacancy.

With regard more especially to the appointment of the members of the Board of directors, the Nomination and Compensation Committee shall notably take into account the following criteria: (i) desired balance of the composition of the Board of directors in light of the composition of evolution of the Company's shareholding structure, (ii) preferred number of independent members, (iii) a balanced representation between men and women in accordance with applicable law, (iv) the opportunity to renew terms of office and (v) integrity, competence, experience and independence of each candidate. The Nomination and Compensation Committee shall also set up a procedure for the selection of future independent members and perform its own review of potential candidates before the latter are approached in any way.

In making its recommendations, the Nomination and Compensation Committee shall endeavour to ensure to have, at the level of the Board of directors and each of its committees (including in particular the Audit Committee and the Nomination and Compensation Committee), at least the minimum number of independent members required under the governance principles to which the Company has adhered to.

*Annual review of the independence of the Board members*

The Nomination and Compensation Committee shall review annually, before the publication of the report on corporate governance of the Company, the situation of each member of the Board of directors in light of the independence criteria adopted by the Company, and shall submit its conclusions to the Board of directors for the review, by the latter, of the situation of each relevant individual with respect to these criteria.

### ***Compensation missions***

In this framework, it performs in particular the following specific tasks:

*Review and proposal to the Board of directors relating to the elements and conditions of the compensation of the main Group's executives*

The Nomination and Compensation Committee shall draft proposals including fixed and variable compensation, but also, if applicable, stock options, allocation of performance shares, retirement and pension schemes, severance pays, benefits in kind or special benefits and any other potential element of direct or indirect compensation (including in the long term) that may be part of the compensation for members of the Executive Management.

The Nomination and Compensation Committee shall be informed of such elements of compensation for the Group's senior executives and of the policies implemented for this purpose within the Group.

In the context of preparing its proposals and works, the Nomination and Compensation Committee shall take into account corporate governance practices that the Company has adhered to and especially the following principles:

- (i) The amount of the global compensation for the members of the Executive Management to be submitted to the Board of directors' approval shall take into account the general interest of the firm, market practices and performances of the members of the Executive Management.
- (ii) Each of the elements of compensation of the members of the Executive Management shall be clearly justified and correspond to the general interest of the firm. The appropriateness of the proposed compensation shall be considered in the environment of the Company's core business and by reference to French market practices and international practices.
- (iii) The compensation of the members of the Executive Management shall be determined with fairness and in a manner consistent with that of the other Group's senior executives, in light of their responsibilities, skills and personal contribution to the Group's performances and development.
- (iv) The Nomination and Compensation Committee shall propose rules governing the definition of the variable part of the compensation of the members of the Executive Management that must be consistent with the annual assessment of the performance of the members of the Executive Management and with the Group's strategy. The performance criteria used to determine the variable part of compensation of the members of the Executive Management, whether bonus or allocation of stock options or performance shares, must be easy to set up and to explain, reflecting in a satisfactory manner the objectives of performance and economic development of the Group at least in the medium term, take into account the Group's social and environmental responsibility issues, allow transparency towards the Company's shareholders in the report on corporate governance and during general shareholders' meetings and correspond to the Company's objectives and normal practices in terms of its manager's compensation.
- (v) The Nomination and Compensation Committee shall monitor the progress of fixed and variable compensation of the members of the Executive Management over several years having regard to the Group's performance.
- (vi) If applicable, especially with respect to the allocation of stock options or performance shares, the Nomination and Compensation Committee shall ensure that these are justified by an objective of strengthening convergence over the long term of the interests of the beneficiaries and the Company.
- (vii) The same methodology shall apply for the appreciation of the compensation and benefits of the main non-executive managers of the Group of the Company and, more generally, of the policies implemented in respect thereof.

- (viii) With respect to the matters referred to above, the Nomination and Compensation Committee may formulate, on its own initiative or upon request of the Board of directors or the Executive Management, any proposal or recommendation.

*Review and proposal to the Board of directors relating to the method for allocation of attendance fees*

The Nomination and Compensation Committee shall propose to the Board of directors an allocation of attendance fees and the individual amounts of payments to be paid to members of the Board of directors in this respect, taking into account notably their effective participation to the Board of directors and its committees, the responsibilities they assume and the time that they must dedicate to their missions.

The Nomination and Compensation Committee shall also make a proposal on the compensation allocated to the Chairman of the Company's Board of directors when the functions of Chairman of the Board of Directors and Chief Executive Officer of the Company are separated.

*Additional duties*

The Nomination and Compensation Committee shall be consulted for recommendation to the Board of directors on any compensations relating to additional duties that would be assigned, if applicable, by the Board of directors to some of its members.

**Article 2 - Composition of the Nomination and Compensation Committee**

The Nomination and Compensation Committee shall be composed of four (4) members, of which three (3) are appointed among independent Board members. They shall be appointed by the latter among its members and after taking into consideration (notably) their independence and their competence with respect to selection or compensation of executive officers of listed companies. The composition of the Nomination and Compensation Committee may not include any executive officers.

The composition of the Nomination and Compensation Committee may be modified by the Board of directors, and, in any case, must be modified in case of change in the general composition of the Board of directors.

The term of office of the members of the Nomination and Compensation Committee shall match with their term of office as Board members. It may be renewed at the same time as the latter.

The Chairman of the Nomination and Compensation Committee shall be appointed among independent members of the Board of directors.

The secretariat of the Nomination and Compensation Committee's works may be carried out by any person appointed by the Chairman of the Nomination and Compensation Committee or in agreement with him or her.

**Article 3 - Meetings of the Nomination and Compensation Committee**

The Nomination and Compensation Committee may hold valid deliberations either in a meeting, or by phone or videoconference, under the same conditions as the Board of directors, upon convening by its Chairman or the secretary of the Nomination and Compensation Committee, on condition that at least half its members participate in its works.

Convening notices of meetings of the Nomination and Compensation Committee shall include an agenda and may be given verbally or by any other means.

Decisions of the Nomination and Compensation Committee shall be taken by a simple majority of the members participating to the meeting, each member holding one vote. In case of a split-vote, the Chairman of the Nomination and Compensation Committee shall have a casting vote.

The Nomination and Compensation Committee shall meet as often as necessary and, in any case, at least twice a year, before the Board meeting taking position on the situation of the Board members with respect to the independence criteria adopted by the Company and, in any case, before the Board meeting taking position on the determination of the compensation of the members of the Executive Management or on the allocation of attendance fees.

**Article 4 - Compensation of Nomination and Compensation Committee members**

The compensation of the Nomination and Compensation Committee members is set by the Board of directors upon proposal of the Nomination and Compensation Committee.

The expenses incurred by the members of the Nomination and Compensation Committee for holding its meetings (e.g. travels, hotels...) shall be reimbursed by the Company on presentation of supporting documents.

**Article 5 - Works of the Nomination and Compensation Committee**

Within the strict framework of its missions, the Nomination and Compensation Committee may contact the main Company's officers after informing the Chairman of the Board of directors and subject to reporting back to the Board of directors thereon. The Nomination and Compensation Committee may also request external technical studies relating to matters within its competence, at the Company's expense and within the limit of an annual budget which may be decided by the Board of directors, after informing the Chairman of the Board of directors or the Board of directors itself and subject to reporting back to the Board of directors thereon. In such cases, the Nomination and Compensation Committee shall seek to ensure the objectivity of the concerned expert.

The Nomination and Compensation Committee may give opinions or make recommendations to the Board of directors on all matters relating to the missions as described above.

The secretary of the Nomination and Compensation Committee shall prepare the minutes of each meeting of the Nomination and Compensation Committee, which minutes shall be addressed to its members and to the other members of the Board of directors.

The Nomination and Compensation Committee members and participants are subject to professional secrecy.

**Article 6 - Miscellaneous**

The Nomination and Compensation Committee shall not, under any circumstances, replace the Board of directors. In the event of discrepancies there were any contradiction between these internal rules of the Nomination and Compensation Committee, on the one hand, and the internal rules of the Board of directors, the by-laws of the Company or the law, on the other hand, the latter shall prevail.

### **SCHEDULE 3**

#### **INTERNAL RULES OF THE SUSTAINABLE DEVELOPMENT COMMITTEE**

The Sustainable Development Committee is responsible for monitoring the inclusion of corporate social responsibility matters in the definition and implementation of the Group's strategy.

##### **Article 1 - Duties of the Sustainable Development Committee**

The Sustainable Development Committee monitors questions relating to environmental and social matters.

In this framework, it performs in particular the following specific tasks:

- (i) to ensure the inclusion of matters relating to social and environmental responsibility within the Group strategy and the implementation of such strategy;
- (ii) to examine the report referred to in article L.225-102-1 of the French Commercial Code with regard to sustainable development;
- (iii) to examine the Group's commitments regarding sustainable development, in view of the challenges that are specific to its activity and objectives.

The Sustainable Development Committee shall report regularly to the Board of directors on the exercise of its missions and shall immediately inform the latter of any difficulties it encounters.

##### **Article 2 - Composition of the Sustainable Development Committee**

The Sustainable Development Committee shall be composed of five (5) members, including the Chairman of the Board of directors, two (2) employees' representatives and one (1) member appointed from among independent Board members, upon proposal of the Nomination and Compensation Committee. The composition of the Sustainable Development Committee may be modified by the Board of directors, and in any case, shall be modified in case of a change in the general composition of the Board of Directors.

The term of office of the members of the Sustainable Development Committee shall match with their term of office as Board of Directors members. It may be renewed at the same time as the latter.

The Chairman of the Sustainable Development Committee shall be appointed among the members of the Board of Directors.

The secretariat of the Sustainable Development Committee's works may be carried out by any person appointed by the Chairman of the Sustainable Development Committee or in agreement with him or her.

##### **Article 3 - Meetings of the Sustainable Development Committee**

The Sustainable Development Committee may hold valid deliberations either in a meeting, or by phone or videoconference, under the same conditions as the Board of directors, upon convening by its Chairman or the secretary of the Sustainable Development Committee, on condition that at least half the members participate in its works.

Convening notices of meetings of the Sustainable Development Committee shall include an agenda and may be given verbally or by any other means..

Decisions of the Sustainable Development Committee shall be taken by a simple majority of the members participating to the meeting, each member holding one vote.

The Sustainable Development Committee shall meet as often as necessary and, in any case, at least once a year.

**Article 4 - Compensation of Sustainable Development Committee members**

The compensation of the Sustainable Development Committee members is set by the Board of directors upon a proposal of the Nomination and Compensation Committee.

The expenses incurred by the members of the Sustainable Development Committee for holding its meetings (e.g. travels, hotels...) shall be reimbursed by the Company on presentation of supporting documents.

**Article 5 - Works of the Sustainable Development Committee**

The Sustainable Development Committee may give opinions or make recommendations to the Board of directors on all matters relating to the duties as described above.

The secretary of the Sustainable Development Committee shall prepare the minutes of each meeting of the Sustainable Development Committee, which minutes shall be addressed to its members and to the other members of the Board of directors.

The Sustainable Development Committee members and participants are subject to professional secrecy.

**Article 6 - Miscellaneous**

The Sustainable Development Committee shall not, under any circumstances, replace the Board of directors. In the event of discrepancies between these internal rules of the Sustainable Development Committee, on the one hand, and the internal rules of the Board of Directors, the by-laws of the Company or the law, on the other hand, the latter shall prevail.