

## Neopost SA

# The rules of procedure of the Board of Directors

### **1. Objective**

The aim of the rules of procedure is to specify the tasks and operating methods of the Board of Directors, along with its members' rights, obligations and recruitment practices, within the scope of their authority, in order to ensure the Company's long-term future, its smooth running and the sustained creation of value for shareholders, employees and the Company's other stakeholders.

The rules of procedure can be approved and altered only on the decision of the Board of directors.

### **2. The tasks of the Board of Directors**

In addition to the tasks conferred upon it by law and by the articles of association, the Board of Directors:

- appoints and revokes the Chairman and Chief Executive Officer on a justified proposal from the Appointments Committee;
- annually reviews, on a proposal from the Appointments Committee and in the light of the situation of the company, its environment and the prevailing legislation, the definition of "independent administrator", to be stipulated in the annual report;
- annually identifies, on a proposal from the Appointments Committee, independent directors;
- determines the remuneration of directors, following a justified proposal from the Remuneration Committee;
- approves the Chairman's report on the preparation for and organisation of the work of the Board, on the internal control procedures implemented at the company, and on the limitations of the powers imposed by the Board on the General Management. The report must address the consolidated scope of the company. The Board of Directors assesses the contacts, skills and methods employed in the drafting of the report;
- supervises the nature and quality of the resources implemented by the General Management to ensure the reliability of internal procedures on the collection and reporting of financial and non-financial information;
- verifies in particular, on the advice of the Remuneration Committee, the policy on the remuneration of the Group's executives and its suitability to market conditions, as well as the information provided to shareholders on the remuneration of executives;

- appoints the members of the Special Committees consistent with their rules of procedure;
- adapts the rules of procedure of each Committee consistent with the situation of the company, its environment and the prevailing legislation, on the advice of each Committee;
- approves strategic choices and budgets on an annual basis;
- approves significant acquisitions and disposals;
- approves significant restructurings and investments not included in the budget or the strategy as announced;
- monitors the implementation of the decisions taken;
- reviews the compatibility of the significant "non-audit" assignments entrusted to the statutory auditors, on advice from the Audit Committee;
- generally speaking, reviews all the questions falling within the field of competence of the Board of Directors as set out in the articles of association and prevailing legislation.

### **3. Composition and operating procedures of the Board of Directors**

#### ***a. Composition***

- The Board of Directors is composed two-thirds of independent directors. Directors are appointed for a period of three years.
- Consistent with the articles of association, one-third of the Board is renewed every year.
- Director, Chief Executive Officer and Chairman candidates are pre-selected and presented to the Board by the Appointments Committee.
- A definition of what constitutes an independent director is approved by the Board on a proposal from the Appointments Committee.  
The definition is discussed at the first Board meeting of each calendar year and may be revised on a proposal from the Appointments Committee.  
The applicable definition is included in the appendix of this document.
- Regarding the renewal of the mandate of the Independent directors, the number of their successive mandates (of 3 years) is limited to 4.

#### ***b. Operating procedures***

The Chairman coordinates and directs the work of the Board of Directors.

The Board meets at least four times a year and as many times as it considers necessary, convened by the Chairman via a notice sent at least seven days before the meeting by mail or email.

The information documents concerning the agenda of the meeting are sent by the Management in as timely a fashion as possible by mail, email, express mail or by any other channel once they have been finalised and, as far as is possible, several days before the meeting.

Directors unable to physically take part in the Board meeting may participate in the discussions via video conference or any other telecommunications resource transmitting sound at least.

Directors taking part in the meeting via video conference or telecommunications resources are considered as present for the purposes of calculating the quorum and the majority.

The video conference or telecommunications resources employed must comply with technical characteristics ensuring the effective participation of each individual in the Board meeting. The discussions must be transmitted in a continuous and simultaneous manner. The necessary provisions must be taken to allow for the identification of each participant and the verification of the quorum.

The Board meeting attendance register must make mention, where applicable, of the participation by video conference or telecommunication resources of the directors concerned.

The minutes of the Board meeting must mention the name of the directors taking part in the meeting by video conference or any other means of telecommunication. It must also mention the occurrence of any technical incident relative to the video conference or other means of telecommunication where such an incident disrupts the course of the meeting.

The provisions above are not applicable for the adoption of the decisions provided for by Articles L. 232-1 and L. 233-16 of the French Commercial Code, respectively on the drafting of annual financial statements and the management report and on the drafting of consolidated financial statements and the Group management report.

### ***c. Special Committees***

The Board of Directors comprises three standing committees:

The Audit Committee,  
The Remuneration Committee,  
The Appointments Committee.

The objectives, composition, role, attributions and powers, and operating procedures of these committees are set out in the rules appended to this document.

Sitting on a committee may justify an increase in directors' fees, subject to decision by the Board.

The Board may decide to set up any other Special Committee for a specific task, standing or not. It ensures beforehand that at least one of the directors sitting on such a committee possesses the skills required for reviewing the questions addressed by the committee.

The rules of procedure of each committee may be modified only on a decision by the Board of Directors.

### ***d. Lead Director***

Where the functions of Chairman of the Board and Chief Executive Officer are not separate, a Lead Director is designated by the Board, on a proposal from the Appointments Committee, from among the independent directors.

The Lead Director remains in function during his or her term as a director, unless a decision is made to the contrary by the Board of Directors, which may at any moment decide to terminate his or her functions. He or she may be re-elected. The loss of the role of independent director (for whatever reason) puts an end to the individual's functions as Lead Director.

The remit of the Lead Director is to ensure the correct functioning of the governing bodies and the absence of conflicts of interest. He or she is also tasked with fully taking account of the concerns of shareholders as regards governance. The Lead Director operates within the limits of the powers granted to the Board of Directors and its

committees. The Secretary of the Board of Directors assists the Lead Director in the completion of his or her tasks.

The Lead Director has the following tasks and prerogatives:

*1. Work of the Board of Directors*

- The Chairman of the Board may consult with the Lead Director on any topic as part of the preparations for Board meetings.
- The Lead Director may in the event of exceptional circumstances call on the Chairman of the Board to convene a Board meeting regarding a specific agenda.
- Where necessary, the Lead Director may add additional items to the agenda of Board meetings.
- The Lead Director ensures the chairmanship of Board meetings in which the Chairman of the Board participates in part or not at all.
- He or she ensures the application of the rules of procedure at Board meetings.
- He or she dialogues on a regular basis with the directors and may, where necessary, assume the role of their spokesperson with the Chairman of the Board.
- The Lead Director reports on his or her work to the Board at least once a year and at any moment if he or she deems necessary.

*2. Contribution to the work of the committees*

- The role of Lead Director does not preclude the individual's appointment as a member of Chairman of a Board Committee.
- He or she may, on a proposal from their Chairman, contribute to some of the work of the committees in lines with his or her tasks.

*3. Assessment of the operation of the Board of Directors*

- The Lead Director contributes to the regular assessment of the operation of the Board of Directors and reports on this matter to the Board of Directors.
- He or she may organise and chair a meeting of the directors in the absence of the corporate officers as part of the assessment of the operation of the Board of Directors.

*4. Conflicts of interest*

- The Lead Director leads preventive awareness-raising actions regarding conflicts of interest with the directors.
- With the Chairman of the Board and the Appointments Committee, the Lead Director reviews the conflict of interest situations that he or she has been able to identify or which were brought to his or her attention, and notifies the Board of their discussions.
- Where necessary, the Lead Director may make recommendations to the Appointments Committee and the Board of Directors on the management of any conflicts of interest that he or she has identified or which were brought to his or her attention.
- Consistent with the duty of impartiality provided for in these rules of procedure and in the Directors' Charter, any director in a conflict of interest situation, be it proven or potential, notifies the Lead Director and Chairman of the Board of such.

## 5. *Shareholder relations*

- The Chairman of the Board and the Lead Director are the preferred contact points for shareholders in terms of governance.
- The Lead Director is informed of the questions, comments and suggestions formulated by significant shareholders not represented on the Board of Directors; He or she ensures that their questions are answered and where necessary makes himself or herself available to meet them, after discussing with and according to the procedures determined with the Chairman of the Board. He or she keeps the Board of Directors informed of these relations.
- At Annual General Meetings, the Lead Director may be called on by the Chairman of the Board to report on his or her work.

## 6. *Resources – Remuneration*

- The Lead Director has access via the Chairman of the Board to all the documents and information necessary to the accomplishment of his or her tasks. He or she reports on them to the Board of Directors.
- The Board of Directors determines, on a proposal from the Remuneration Committee, upon his or her appointment or renewal, the amount of the remuneration received by the director in his or her role as Lead Director. In addition, the Lead Director may be reimbursed, upon the presentation of receipts, for the sums involved in the accomplishment of his or her tasks, notably travel expenses.

## **4. Rights of directors**

Each director has the right to:

- ask the Chairman or Chief Executive Officer for any necessary information concerning the agenda of Board meetings or committee meetings;
- request that certain Group executives take part in the Board's sessions depending on the agenda;
- ask the Chairman or Chief Executive Officer for certain meetings to be organised and to take part in said meetings with a view to developing specific topics falling within his or her responsibilities.

The Chairman or Chief Executive Officer is required to provide each director with the documents and information necessary to the accomplishment of their tasks within a time frame compatible with the deadlines of the assignment at hand.

The Chairman or Chief Executive Officer provides the Board of Directors or the Committee with documentation relative to the agenda.

The Chairman or Chief Executive Officer may organise a meeting of one of the committees if they deem it necessary, and, in particular, a meeting of the Audit Committee, as many times as they deem necessary.

## **5. Commitment of directors**

On appointment, each director commits:

- if qualified as independent, to fulfilling at all times the independence criteria determined by the Board of Directors or to immediately informing the Chairman if the fulfilment of said criteria is threatened;
- to familiarizing themselves with the legal, statutory and regulatory obligations incumbent upon them and respecting those obligations;
- to acquiring a minimum number of shares in the company representing a value roughly equivalent to the directors' fees received over a year;
- to making themselves available and devoting the time and attention necessary to their functions, to being assiduous and participating in the meetings of the Board and the Committees to which they belong;
- to informing themselves and asking the Chairman of the Board in a timely manner for the information necessary to understanding items on the agenda;
- to respecting the strict confidentiality of the non-public information acquired as part of their functions;
- to refraining from any intervention regarding Neopost SA shares on which they possess confidential information acquired as part of their functions and, in this respect, to complying with the Manager-Shareholder's Charter implemented at Neopost SA (see appendix);
- to taking part in the Annual General Meeting if the Chairman so requests;
- in the event of repeated absenteeism or a failure to respect their commitments, to tendering their resignation if thus requested by the Board of Directors.

## **6. Transcribing the minutes of the meetings**

The minutes of the meetings of the Board of Directors must stipulate or relate in a detailed manner:

- the aim of the meeting or agenda, and how the meeting is conducted (video conference, physical presence, etc.),
- the number of meetings organised on the topic addressed,
- the number and names of the participants (directors, members of the Management, experts, statutory auditors, external individuals, etc.),
- the nature of the information provided and the date it was sent to participants,
- the proposal made during the meetings, and each participant's questions and answers,
- the opinions and positions expressed by each participating member on each item of the agenda, the result of any votes.

# Rules of procedure of the Board of Directors

## The status of independent director at Neopost SA

### I – Definition:

A director is independent when he or she has no relationship of any kind whatsoever with Neopost, its Group or its Management that may compromise his or her judgment.

### II – Incompatibilities:

The status of independent director cannot be attributed to directors who:

- ▶ are salaried employees or corporate officers (Chairman, Chief Executive Officer, Deputy Chief Executive Officer) of Neopost or a Group company (or have been so in the last five years);
- ▶ are corporate officers of a company
  - in which Neopost directly or indirectly holds a directorship, or
  - in which an employee designated as such or a corporate officer of Neopost (currently or having been so for under five years) holds a directorship;
- ▶ are significant customers, suppliers, corporate bankers or financial bankers
  - of Neopost or its Group, or
  - for which Neopost or its Group represents a significant share of business;
- ▶ have close family ties with a corporate officer;
- ▶ have been an auditor of Neopost in the last five years (during this minimum period, former auditors may not be appointed as directors, consistent with Article L. 225-225 of the French Commercial Code);
- ▶ have served as Neopost directors for over 12 years;
- ▶ represent shareholders involved in the control of Neopost.
- ▶ If the director, without being involved in the control of Neopost, represents a shareholder with over 10% of the share capital or voting rights, the Board of Directors rules on his or her independence following a written opinion from the Appointments Committee. This opinion notably addresses:
  - the dispersion of Neopost's ownership structure,
  - the existence of a potential conflict of interest.

# The Directors' Charter

## Preamble

This Charter was drafted to give each of the directors free rein to put their skills into practice and make an effective contribution, while adhering to the rules of independence, ethics and integrity, as is expected of them. Neopost SA directors thus commit to respecting the guidelines set out in this Charter and implementing them.

## Article 1 – Administration and corporate interest

Directors in all circumstances act in the social interest of the company. Regardless of their appointment, they must consider themselves as representing all the shareholders and also take account of the expectations of other stakeholders.

## Article 2 – Compliance with laws and the articles of association

Directors are fully mindful of their rights and obligations. They must understand and respect the legal and regulatory provisions relative to their function, the applicable governance codes and best practices, as well as the rules specific to the company deriving from its articles of association and the rules of procedure of its Board.

## Article 3 – Exercise of office: guiding principles

Directors carry out their functions with independence, integrity, loyalty and professionalism.

## Article 4 – Independence and duty of expression

Directors maintain in all circumstances their independence of judgment, decision and action. They do not let themselves be influenced by any element external to the social interest that it is their duty to defend.

They alert the Board of any element they are aware of that is liable to affect the interests of the company.

They are duty bound to clearly express their questions and opinions. They endeavour to convince the Board of the relevance of their positions. In the event of disagreement, they ensure that such disagreement is explicitly noted in the minutes of the proceedings.

## Article 5 – Independence and conflicts of interest

Directors endeavour to avoid any conflict of interest that could arise between their moral and material interests and those of the company. They inform the Board of any conflict of interest in which they could be involved. Where they cannot avoid a conflict of interest, directors refrain from taking part in debates and any decisions on the issues concerned.

## Article 6 – Integrity, loyalty and duty of discretion

Directors act in good faith in all circumstances and take no initiative that could harm the interests of the company.

The information on the company communicated to directors as part of their functions is provided to them on an *intuitu personae* basis. They personally undertake to respect the full confidentiality of the information they receive, the debates they take part in and the decisions taken.

They refrain from using the privileged information to which they have access for their personal benefit or for the benefit of whomsoever. Where they are in possession of publicly undisclosed information on the company on whose board they sit, directors refrain from using it to carry out or have a third party carry out transactions on the securities of the company, consistent with Neopost's by-laws and rules of procedure.

## Article 7 – Professionalism and involvement

Directors undertake to devote the necessary time and attention to their functions.

They ensure that the number and workload of their directorships leave them with sufficient availability, particularly if they also hold executive functions.

They inform themselves of the company's businesses and specificities, objectives and values, notably through dialogue with its main executives.

They take part in the meetings of the Board and of the special committees on which they sit with assiduousness and diligence.

They participate in Annual General Meetings.

They endeavour to obtain in a timely fashion the items they consider essential to their knowledge for contributing to Board discussions in an informed manner.

They endeavour to upgrade the knowledge useful to them and ask the company for the training necessary to the effective fulfilment of their tasks.

## Article 8 – Professionalism and efficiency

Directors contribute to the collegiality and effectiveness of the work of the Board and any of its special committees. As the responsibility of directors is collegial, they exercise their duties with solidarity. They formulate any recommendation that they think could improve the Board's operating procedures, notably during the regular assessment of the Board. They accept the assessment of their own actions on the Board.

With the other members of the Board, they ensure that policy direction and control assignments are accomplished in an effective and unfettered manner. In particular, they ensure that procedures are implemented at the company for controlling the respect of the law in both letter and spirit.

They make sure that each and every one of the positions adopted by the Board is submitted to formal decisions that are correctly reasoned and transcribed in the minutes of the meetings.

## Article 9 – Application of the Charter

Where a director is no longer in a position to carry out their functions in line with the Charter, either by their own act or for any other reason, including relative to the specific rules of the company on whose Board they sit, they must inform the Chairman of the Board, seek a solution to remedy the situation and, if unable to do so, draw the personal consequences relative to the exercise of their mandate.

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# The Audit Committee

## Preamble

The aim of these rules of procedure is to review the composition and operating procedures of the Audit Committee (hereafter referred to as the "Audit Committee" or the "Committee"), and to specify its remit, in addition to the articles of association of the company, its decisions and the rules of procedure of its Board of Directors (hereafter referred to as the "Board").

The Audit Committee monitors all matters relating to the drafting and audit of financial and accounting information, specifically: (i) the process of drafting financial information, (ii) the effectiveness of internal control and risk management systems, (iii) the legal control of annual financial statements and, where applicable, the consolidated financial statements by the statutory auditors, (iiii) the independence of the statutory auditors.

The rules of procedure of the Audit Committee were approved by the Board on 25 March 2013.

## The composition of the Audit Committee

The Audit Committee is composed of three to four members of the Board of Directors. The Committee is composed at least two-thirds of independent directors. The members of the Audit Committee are appointed by the Chairman of the Board, on the advice of the Appointments Committee. The members of the Board are appointed for the period of their mandate as directors.

The members of the Audit Committee are chosen on the basis of their financial or accounting skills. On appointment, they receive, where necessary, training on the accounting, financial and operational specificities of the Company and the Group. At least one member of the Committee has proven accounting and financial expertise.

The Chief Financial Officer and the Head of Internal Control are not members of the Audit Committee but attend the Committee's meetings.

## The operating procedures of the Audit Committee

The Audit Committee has an advisory role and has no decision-making authority. Its role is confined to preparing the information to be used by the Board in its deliberations.

### Meeting procedures

The Audit Committee meets as often as necessary and at least twice a year, prior to the Board meeting that reviews the half-yearly financial statements and the Board meeting that reviews the annual financial statements. To address all the fields within its purview, the Audit Committee establishes an annual programme listing the subjects and the dates on which these items will be reviewed.

The Audit Committee primarily interacts with the General Management, the Finance Department, the Head of Internal Control and the Company's statutory auditors. The Audit Committee organises a meeting with the statutory auditors at least once a month.

The Audit Committee may commission specific studies if it deems them necessary.

### Quorum

Audit Committee meetings are held to be valid if two-thirds of the members take part, with members participating via video conference or telecommunications resources considered as present under the provisions in Article 3.8 of the rules of procedure of the Board of Directors.

The decisions of the Audit Committee are taken through a majority of the members present or represented.

### Convening meetings

Audit Committee meetings are convened by all means by the Chairman of the Committee or any other person designated by this last, who determines the agenda of the meeting.

Any person called on to attend Audit Committee meetings is bound to discretion regarding information of a non-public nature and to a general duty of discretion concerning all the matters of the Company.

### Secretariat

The Committee appoints the secretary of the Committee's work at each meeting.

### Confidentiality

Concerning the non-public information acquired as part of their functions, directors must consider themselves obliged to professional secrecy above and beyond the simple duty of discretion provided for by law. They acknowledge that all the information communicated to them is done so purely as part of their tasks on the Audit Committee to which they belong and may not be shared with third parties or used outside the exercise of their functions.

### Minutes

Following each Audit Committee, the Chairman reports on its work to the Board at its next meeting. The conclusions of the work of the Committee are transcribed in the minutes of each meeting.

The main reports or opinions presented by the Chairman of the Committee to the Board are as follows:

- an opinion on the financial statements project assuring the Board of the relevance and continuity of the accounting methods as well as the reliability of the internal procedures of compiling and controlling the information used to establish the parent company financial statements and the Group's consolidated financial statements;
- a recommendation on the appointment or renewal of the statutory auditors on the basis, where applicable, of the results of a call for bids supervised by the Committee;

- reports on the work of the Committee that may give rise to recommendations on accounting procedures, the internal control system, and the quality and clarity of financial information intended for the market.

## The tasks of the Audit Committee

Under the exclusive and collective responsibility of the members of the Neopost Board of Directors, the Audit Committee supervises questions concerning:

- the drafting and assessment of the parent company financial statements and the consolidated financial statements,
- the independence and objectivity of the statutory auditors,
- the effectiveness of internal control and risk management systems.

### Analysis of financial statements

In this respect, the Audit Committee is tasked with:

- monitoring questions relative to the drafting of accounting and financial information;
- ensuring the appropriateness, continuity, correct application and respect of the accounting policies used to draw up the consolidated and parent company financial statements, and the appropriateness of the accounting of significant transactions at Group level;
- supervising the legal control of annual financial statements and consolidated financial statements by the statutory auditors and, when the financial statements are approved, carrying out a prior analysis and drafting an opinion on the half-yearly and yearly draft parent company financial statements and consolidated financial statements prepared by the Finance Department before their presentation to the Board. To that end, draft financial statements and all other useful documents and information must be communicated to the Audit Committee before the financial statements are reviewed by the Board. In addition, the Audit Committee's review of the financial statements must be accompanied by information (i) underlining the essential points in the results and the accounting options selected and (ii) describing the risk exposure and the significant off-balance sheet commitments of the company. The Audit Committee hears the statutory auditors, the Finance Department and, where necessary, the General Management, with a particular focus on amortisations, provisions, goodwill treatments, consolidation principles and the accounting treatments selected;
- reviews the draft interim financial statements, draft half-year reports, activity reports and results reports before their publication, together with all the financial statements produced for the requirements of specific transactions (including amounts received, mergers, market transactions, and the payment of interim dividends);
- reviews the scope of consolidated companies and, where applicable, the reasons for which companies would not be included;
- reviews significant off-balance sheet risks and commitments;
- reviews the accounting and financial treatment of acquisition and disposal transactions of a significant unit amount, and reviews important transactions during which a conflict of interest may have occurred;
- verifies with the General Management that the Group regularly fulfils all its legal and financial reporting duties to the stock market authorities.

## The choice and independence of the statutory auditors.

In this respect, the Audit Committee is tasked with:

- coordinating the selection procedure of the statutory auditors at the end of their term, and submitting the resulting recommendations to the Board of Directors. Any recourse to a call for bids is reviewed and discussed with the Board to assess the opportunity on the basis of facts and circumstances, with emphasis placed on the selection of the "highest bidder" rather than the "lowest bidder". The Audit Committee is particularly involved in approving the specifications, the choice of firms to be consulted, the examination of the written proposals submitted by the bidding firms, and the hearing of said bidders;
- reviewing the risks weighing on the independence and objectivity of the statutory auditors and, where applicable, the safeguard measures taken to lessen these risks;
- monitoring in this respect all the relations maintained by the statutory auditors with Neopost and verifying in particular that the fees paid by the Company, or the share that those fees represent in the firm's revenues or the network of statutory auditors, are not liable to affect the independence of the statutory auditors.

As part of its tasks relative to the independence and objectivity of the statutory auditors, the Audit Committee regularly hears the Company's statutory auditors. The Audit Committee organises a meeting with the statutory auditors at least once a month. The Audit Committee may also hear the individuals involved in the control of financial information (including corporate officers, financial and accounting directors, and functional/operational managers) after informing the Chairman and Chief Executive Officer of Neopost.

## Internal control and risk management

In this respect, the Audit Committee is tasked with:

- hearing the Financial Director and the Internal Control Director so as to assess the measures in place concerning:
  - ▶ the identification and coverage of major risks,
  - ▶ the suitability of the internal control system,
  - ▶ the effectiveness of the internal control and risk management procedures in place, including those relative to the drafting of accounting and financial information;
- hearing the statutory auditors so as to assess the nature, scope and results of their audit on the financial statements, and to compile their observations and suggestions, notably on internal control and risk management procedures, as well as accounting practices;
- reviewing and giving its opinion to the Board on the draft report of the Chairman of the Board to the Annual General Meeting on the internal control and risk management procedures implemented by the Company.

# The Remuneration Committee

## Preamble

The aim of these rules of procedure is to review the composition and operating procedures of the Remuneration Committee (hereafter referred to as the "Remuneration Committee" or the "Committee"), and to specify its remit, in addition to the articles of association of the company, its decisions and the rules of procedure of its Board of Directors (hereafter referred to as the "Board").

The objective of the Remuneration Committee is to ensure (i) that the Group's remuneration policy is sufficiently motivating to attract and keep high-level managers, reward their contribution to the development of the Group and remain in line with market conditions, (ii) that disclosures to shareholders on the remuneration of managers is sufficiently relevant and consistent with legal provisions, and (iii) that the Board of Directors possesses complete and detailed information prior to any decision on the remuneration of the Group's main managers.

The rules of procedure of the Remuneration Committee were approved by the Board on 25 March 2013.

## Composition of the Remuneration Committee

The Remuneration Committee is composed of three to four members of the Board of Directors. The Committee is composed of a majority of independent directors. The members of the Remuneration Committee are appointed by the Chairman of the Board, on the advice of the Appointments Committee. The members of the Board are appointed for the period of their mandate as directors.

The members of the Remuneration Committee are chosen on the basis of their knowledge of and experience in human resources management. At least one member of the Committee has proven expertise in human resources.

The chairmanship of the Committee is held by a director who is free of interests.

The Human Resources Director is not a member of the Remuneration Committee but attends the Committee's meetings.

## The operating procedures of the Remuneration Committee

The Remuneration Committee has an advisory role and has no decision-making authority. Its role is confined to preparing the information to be used by the Board in its deliberations.

### Meeting procedures

The Remuneration Committee meets at least twice a year. To address all the fields within its purview, the Committee establishes an annual programme listing the subjects and the dates on which these items will be reviewed.

The Remuneration Committee mainly interacts with the General Management and the Human Resources Department. The Remuneration Committee meets at least once a year with the Human Resources Director to obtain the relevant information and analyses for its deliberations.

The Remuneration Committee draws on the relevant wage studies and benchmarks prepared by the Human Resources Department.

### Quorum

Remuneration Committee meetings are held to be valid if two-thirds of the members take part, with members participating via video conference or telecommunications resources considered as present under the provisions in Article 3.8 of the rules of procedure of the Board of Directors.

The decisions of the Remuneration Committee are taken through a majority of the members present or represented.

### Convening meetings

Remuneration Committee meetings are convened by all means by the Chairman of the Committee or any other person designated by this last, who determines the agenda of the meeting.

Any person called on to attend Remuneration Committee meetings is bound to discretion regarding information of a non-public nature and to a general duty of discretion concerning all the matters of the Company.

### Secretariat

The Committee appoints the secretary of the Committee's work at each meeting.

### Confidentiality

Concerning the non-public information acquired as part of their functions, directors must consider themselves obliged to professional secrecy above and beyond the simple duty of discretion provided for by law. They acknowledge that all the information communicated to them is done so purely as part of their tasks on the Remuneration Committee to which they belong and may not be shared with third parties or used outside the exercise of their functions.

### Minutes

Following each Remuneration Committee, the Chairman reports on its work to the Board at its next meeting. The conclusions of the work of the Committee are transcribed in the minutes of each meeting.

## The tasks of the Remuneration Committee

The responsibilities and powers of the Remuneration Committee are exercised consistent with legal and regulatory provisions and the company's articles of association.

In this respect, the Remuneration Committee is tasked with:

- setting the general remuneration policy for the Chairman and, where applicable, Chief Executive Officer, including pension, retirement and severance pay and miscellaneous benefits;
- proposing and evaluating each year the rules for setting the variable portion of corporate officers' remuneration and ensuring that the criteria selected are consistent with the Company's short-, medium- and long-term strategic policy directions;
- evaluating the Group's salary policy;
- receiving notification from the General Management on the remuneration of the main executive managers;
- issuing an opinion, and where applicable any proposal, on the remuneration policy for the Group's executive managers;
- issuing an opinion to the Board on the adoption, modification or discontinuation of share acquisition or purchase option plans, the free granting of shares, or any other means of long-term incentive, together with the procedures for implementing such measures;
- reviewing and issuing an opinion on the policy of the benefits in kind that may be granted to the Group's executive managers such as pension plans, benefit plans, company cars, and severance pay;
- approving the appropriateness of the information provided to shareholders on the remuneration of managers and the option plans granted to them, and verifying the respect of legal provisions on the matter;
- issuing an opinion to the Board on any question relative to projects on capital increases reserved for employees;
- proposing the amount of directors' fees and their distribution among Board members according to their individual contribution to the Board and the Committees.

The Committee carries out its tasks in full independence and has the authority, after informing the Chairman of the Board and subject to reporting to the Board:

- to involve the Human Resources Director in any work that so requires or on any question in its field;
- to call, where necessary, on external advice, at the company's expense, for technical studies in its area of competence.

# The Appointments Committee,

## Preamble

The aim of these rules of procedure is to review the composition and operating procedures of the Appointments Committee (hereafter referred to as the "Appointments Committee" or the "Committee"), and to specify its remit, in addition to the articles of association of the company, its decisions and the rules of procedure of its Board of Directors (hereafter referred to as the "Board").

The rules of procedure of the Appointments Committee were approved by the Board on 25 March 2013.

## Composition of the Appointments Committee

The Appointments Committee is composed of three to four members of the Board of Directors. The Committee is composed of a majority of independent directors. The members of the Appointments Committee are appointed by the Chairman of the Board, on the advice of the Board. The members of the Board are appointed for the period of their mandate as directors.

The Chairman of the Board is a member by right of the Appointments Committee.

The members of the Appointments Committee are chosen on the basis of their knowledge of and experience in human resources management.

The chairmanship of the Committee is held by a director who is free of interests.

The Human Resources Director is not a member of the Appointments Committee but may be called on to attend the Committee's meetings.

## The operating procedures of the Appointments Committee

The Appointments Committee has an advisory role and has no decision-making authority. Its role is confined to preparing the information to be used by the Board in its deliberations.

### Meeting procedures

The Appointments Committee meets at least twice a year. To address all the fields within its purview, the Committee establishes an annual programme listing the subjects and the dates on which these items will be reviewed.

The Appointments Committee mainly interacts with the General Management and the Human Resources Department. The Appointments Committee draws on the wage studies and benchmarks prepared by the Human Resources Department.

### Quorum

Appointments Committee meetings are held to be valid if two-thirds of the members take part, with members participating via video conference or telecommunications resources considered as present under the provisions in Article 3.8 of the rules of procedure of the Board of Directors.

The decisions of the Appointments Committee are taken through a majority of the members present or represented.

### Convening meetings

Appointments Committee meetings are convened by all means by the Chairman of the Committee or any other person designated by this last, who determines the agenda of the meeting.

Any person called on to attend Appointments Committee meetings is bound to discretion regarding information of a non-public nature and to a general duty of discretion concerning all the matters of the Company.

### Secretariat

The Committee appoints the secretary of the Committee's work at each meeting.

### Confidentiality

Concerning the non-public information acquired as part of their functions, directors must consider themselves obliged to professional secrecy above and beyond the simple duty of discretion provided for by law. They acknowledge that all the information communicated to them is done so purely as part of their tasks on the Appointments Committee to which they belong and may not be shared with third parties or used outside the exercise of their functions.

### Minutes

Following each Appointments Committee meeting, the Chairman reports on its work to the Board at its next meeting. The conclusions of the work of the Committee are transcribed in the minutes of each meeting.

## The tasks of the Appointments Committee

The responsibilities and powers of the Appointments Committee are exercised consistent with legal and regulatory provisions and the company's articles of association.

In this respect, the Appointments Committee is tasked with:

- reviewing all proposals on the appointment to or removal from a function of the Group's General Management (Executive Committee members) and its main subsidiaries, and reporting on the matter to the Board;
- receiving information on the General Management's policy for managing the Group's executives;
- ensuring management continuity by preparing a succession plan for corporate officers and directors so as to be able to propose replacement solutions to the Board in the event of unexpected vacancies;
- receiving information on the succession plan for Executive Committee members;
- proposing to the Board of Directors the appointment of Committee chairmen and members on their renewal;
- receiving information and issuing an opinion on the composition of special committees;
- interviewing candidates for directors' positions on the basis of profiles corresponding to the sought-after skills with a view to supplementing those already in the Company and in the light of the following criteria:
  - ▶ independence, competence, motivation and availability,
  - ▶ suitability with respect to Group strategy,
  - ▶ suitability with respect to the Board's current composition and desired changes,
  - ▶ maintaining the appropriate number of independent directors on the Board;
- proposing the definition of independent director;
- issuing an opinion on the independent status of directors and proposing potential changes to the composition of the Board;
- examining all issues relating to the rights and obligations of members of the Board of directors;
- periodically overseeing an assessment of the work of the Board of Directors.

The Committee carries out its functions in full independence and has the authority, after informing the Chairman of the Board and subject to reporting to the Board, to call, where necessary, on external advice, at the company's expense, for tasks in the area of its competence.