

## 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.

These rules of procedure comply with the general principles of corporate governance, and particularly those set out by the corporate governance code for listed French companies established by AFEP-MEDEF<sup>1</sup>.

### **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 Board Chairman and Chief Executive Officer (CEO) on a justified proposal from the Appointments and Remuneration Committee;
- examines and, where necessary, annually reviews, on a proposal from the Appointments and Remuneration Committee and in the light of the situation of the company, its environment and the prevailing legislation, the definition of "independent director", to be stipulated in the annual report;
- annually identifies, on a proposal from the Appointments and Remuneration Committee, as well as Independent directors;
- determines the principles, criteria and items and benefits in kind of remuneration for the Board Chairman, the CEO, and directors, following a justified proposal from the Appointments and Remuneration Committee and examines the communication given to shareholders regarding their remuneration;
- approves the report corporate governance, including in particular the preparation, the remuneration for corporate officers within the company, and the assessment of the work of the Board, on the internal control procedures implemented at the

---

<sup>1</sup> AFEP = French Association of Large Corporations. MEDEF = French Employers' Association.

company, and on the limitations of the powers imposed by the Board on General Management. The report must address the consolidated scope of the company.

- examines on the advice of the Audit Committee the nature and quality of the resources implemented by General Management to ensure the reliability of internal control and risk management procedures, including those on the collection and reporting of financial and non-financial information. These include risk factors and social, societal, and environmental information;
- examines, on the advice of the Appointments and Remuneration Committee, the policy on the remuneration of the Group's executives and its suitability to market conditions;
- 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 budgets on an annual basis;
- approves, on the advice of the Strategy and Corporate Responsibility committee, the strategic choices, and plans in addition to significant acquisitions and disposals, committing to promote the company's long-term value creation through consideration of the social and environmental challenges of the business.
- approves, on advice of the Strategy and Corporate Responsibility committee, 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 of at least 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 and Remuneration Committee.  
The definition is discussed by the Board Meeting in the first quarter of each financial year and may be revised on a proposal from the Appointments and Remuneration 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 Board Chairman coordinates and directs the work of the Board of Directors, particularly the following tasks:

BOD.27.6.2019

- promotes the highest standards of integrity, ethical conduct, and governance, thereby ensuring the effectiveness of the Board;
- ensures the proper functioning and open and constructive communication of the Company's bodies and ensures that the members of the Board of Directors are able to fulfil their mission;
- maintains a regular dialogue with the independent Directors and reports their observations and relays their questions to the Board of Directors;
- receives from the Chief Executive Officer any information useful for the management of the work of the Board of Directors;
- ensures that all matters of material importance to the Board's competence are well prepared and discussed by the Board of Directors and the various committees in a timely manner and, in this respect, participates in the preparation of the Board's meeting schedule and the agenda proposed by the Chief Executive Officer;
- ensures that the members of the Board of Directors devote the necessary time to matters of interest to the Company and the Group;
- participates in the organization and monitoring of the process of periodic assessment of the functioning of the Board of Directors and reports to the Board of Directors;
- is available at all times to members of the Board of Directors who may submit any questions regarding their duties to it;
- takes preventive action to raise awareness among Directors with regard to conflicts of interest; any Director in a situation of actual or potential conflict of interest shall inform the President;
- examines, with the Appointments and Remuneration Committee, any conflict of interest situations that they may have identified or that may have come to their attention. They shall inform the members of the Board of Directors and may, if necessary, make any recommendations on the management of these possible conflicts of interest;
- they may coordinate or carry out specific missions at the request of the Chief Executive Officer.

They participate in the organization and preparation of shareholders' general meetings, of which they are Chairman and to which they report on the work of the Board of Directors. In addition:

- The Chairman is a key point of contact for shareholders in matters of corporate governance;
- The Chairman is informed, as necessary, of questions, comments and suggestions made by significant shareholders not represented on the Board of Directors with regard to corporate governance. They ensure, where appropriate, that their questions are answered;
- They keep the Board of Directors informed.

In the performance of their duties, the Chairman may be assisted by the Secretary of the Board of Directors.

The meetings of the Board of Directors are chaired by the Board Chairman. In the event that the President is unable to attend, or in their absence, the Board of Directors shall appoint their Chairman. The Board meets at least four times a year and as many times as it considers necessary, convened by the Board Chairman as a general rule at least five days using all resources and communicative channels. The Board Secretary is authorized to send out invitations.

If the Board of Directors has not met for more than two months, Directors representing at least one-third of the members of the Board may ask the Chairman to convene the Board on a specific agenda. The Chief Executive Officer, in the event of separation of functions, may also, at any time, ask the Chairman to convene the Board on a specific agenda. The Chairman is bound by the requests thus addressed to them. The Lead Director may also request the Chairman to convene the Board at any time on a specific agenda. The information documents concerning the agenda of the meeting are sent by General Management in as timely a fashion as possible using all resources and communicative channels once they have been finalised and, as far as is possible, several days before the meeting. To this end, the Directors may send each other all reports, documents and studies conducted by General Management.

The Board of Directors is regularly informed, particularly on the occasion of the transmission of information documents regarding the agenda of the meeting, of the Company's financial situation, cash position and significant commitments. Directors are also kept informed of market developments, the competitive environment, as well as any financial, legal, operational, social, and environmental risks facing the Company.

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 Appointments and Remuneration Committee,

The Strategy and Corporate Responsibility 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**

Following (i) the designation by the Board of an Independent Director as a Chairman and (ii) the announcement by the Company, following the Board of Directors' meeting dated 26 April 2019, and extending the Lead Director's functions in order to confer a support mission for the Chairman, the Lead Director will remain in function until 31 January, 2020, and will have the authorisations outlined below, unless a decision is made to the contrary by the Board of Directors, which may at any moment decide to terminate their functions.

The loss of the status of independent director (for whatever reason) puts an end to the individual's functions as Lead Director.

The Lead Director's authorisation operates within the limits of the powers granted to the Chairman, the Board of Directors, and its committees. The Secretary of the Board of Directors assists the Lead Director in the completion of their tasks.

The Lead Director has the following tasks and prerogatives:

#### *1. Work of the Board of Directors*

- The Chairman may consult with the Lead Director on any topic as part of the preparations for Board Meetings, particularly the agenda.
- The Lead Director may in the event of exceptional circumstances call on the Chairman to convene a Board meeting regarding a specific agenda.
- The Lead Director ensures the chairmanship of Board meetings in which the Chairman participates in part or not at all.
- The Lead Director reports on their work to the Board at least once a year and at any moment if they deem 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.
- They may, on a proposal from their Chairman, contribute to some of the work of the committees in lines with their tasks.

### 3. *Conflicts of interest*

- The Lead Director brings the conflict of interest situations they have been able to identify to the attention of the Chairman
- Where necessary, the Lead Director may make recommendations to the Chairman on the management of any conflicts of interest that they have identified, or which were brought to their attention.

### 4. *Shareholder relations*

- At Annual General Meetings, the Lead Director may be called on by the Chairman to report on their work.

### 5. *Resources – Remuneration*

- The Lead Director has access via the Chairman of the Board to all the documents and information necessary to the accomplishment of their tasks. They report on them to the Board of Directors.
- Until 31 January, 2020, the Lead Director will continue to receive the amount of additional remuneration allocated as a Lead Director as set out by the Board of Directors. In addition, the Lead Director may be reimbursed, upon the presentation of receipts, for the sums involved in the accomplishment of their 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 their 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 period 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 they have no relationship of any kind whatsoever with Neopost, its Group or its Management that may compromise their 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 or consultants
  - 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 their independence following a written opinion from the Appointments and Remuneration 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.

\* \* \*  
\*

# 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, and (iv) the independence of the statutory auditors.

## 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 and Remuneration 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 year. 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, and many more positions) 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;
  - ▶ the implementation of a transparency and promotion system for ethical behaviour;
- 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 corporate governance draft report to the Annual General Meeting on the internal control and risk management procedures implemented by the Company.

# The Appointments and Remuneration Committee

## Preamble

The aim of these rules of procedure is to review the composition and operating procedures of the Appointments and Remuneration Committee (hereafter referred to as the "Appointments and 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").

## Composition of the Appointments and Remuneration Committee

The Remuneration Committee is composed of three to four members of the Board of Directors. The Committee does not have a single executive corporate officer within the Company among its members and is composed of a majority of Independent directors. The members of the Committee are appointed by the Board of Directors. The members of the Board are appointed for the period of their mandate as Directors.

The members of the 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 an Independent Director appointed by the Board.

In the missions drawn out from Appointments committee, the executive corporate officers (General Management) are associated with the Committee's work.

On the occasion of the review of the remuneration policy for the key directors who are not executive corporate officers, the Committee associates the executive corporate officers (General Management) with its work.

The Human Resources Director is not a member of the Committee, but they can be summoned to attend the Committee's meetings.

# The operating procedures of the Appointments and Remuneration Committee

The Appointments and 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 of Directors in its deliberations.

## Meeting procedures

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

The Committee mainly interacts with General Management and the Company's Human Resources Department.

The Committee exercises its mission in complete independence and has the power, after having informed the Chairman of the Board of Directors and being responsible for reporting to the Board:

- to associate or solicit the Human Resources Director for any work that requires it or on a matter related to their mission;
- if necessary, to use external consulting fees, at the Company's expense, for technical studies related to its mission.

The Committee meets at least once a year with the Human Resources Director to obtain the relevant information and analyses for its deliberations.

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

## Quorum

Appointments and 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.b of the Rules of Procedure of the Board of Directors.

The decisions of the Committee are made through a majority of the members present or represented. In case of a tie, the Chairman's vote prevails.

## Convening meetings

Appointments and 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. Members may propose other topics for discussion before or during the meeting.

Any person called on to attend 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 who are members of the Committee 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 Committee and the Company's Board of Directors to which they belong and may not be shared with third parties or used outside the exercise of their functions.

## Minutes

Following each Appointments and 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 Appointments and Remuneration Committee

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

In the tasks incumbent upon the Appointments Committee, the Committee is responsible for:

- making reasoned proposals/recommendations to the Board regarding the selection of new Directors and their renewal and, to this end,
- carrying out or having carried out research and interview candidate Directors based on defined profiles corresponding to the talents sought to complete those already present and with regard to the following criteria:
  - independence, skills, international experience, motivation, availability,
  - compatibility with the Group's strategy,
  - compatibility with the current composition and desirable evolution of the Board,
  - maintaining the fair number of independent Directors on the Board;
  - representation between men and women, nationalities, expertise
- proposing to the Board the definition of independent Director;
- issuing an annual opinion on the independence of each of the Board members and suggesting to the Board any potential changes in its composition;
- making reasoned proposals/recommendations to the Board on the appointment of the Company's executive corporate officers;
- ensuring the sustainability of the corporate bodies by drawing up a succession plan for the Company's executive corporate officers and Directors in order to be able to propose succession solutions to the Board in the event of an unforeseen vacancy;

- making reasoned proposals/recommendations to the Board on the appointment of Committee members and Chairmen and on their renewal;
- examining all questions relating to the rules of governance of corporate bodies;
- participating in the annual assessment of the functioning of the Board of Directors and in the assessment conducted every three years by an external body;
- being informed of the policy developed by General Management regarding the management of the Group's senior executives, particularly on any appointment, development, or succession plan for the members of the Group's Executive Committee;
- examining the implementation by General Management of a non-discrimination and diversity policy among the Group's senior executives and employees.

In the tasks incumbent upon the Remuneration Committee, the Committee is responsible for:

- proposing a general remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer, including stock options, free share grants, or any other long-term incentive instrument, pensions, retirement, retirement or termination benefits, and other benefits;
- proposing and assessing on an annual basis the rules for determining the variable portion of the remuneration of executive corporate officers, to ensure that the performance criteria adopted are consistent with the Company's short-, medium- and long-term strategic orientations, and to monitor the application of these rules;
- issuing an opinion to the Board on the adoption, amendment, termination of stock option plans, free share allocation plans or any other long-term incentive instrument, as well as on the terms and conditions for the implementation of these instruments;
- approving the relevance of the information given to shareholders regarding the remuneration of executive corporate officers and stock option plans, or free share allocation plans granted to them, and ensuring compliance with the relevant legal provisions;
- issuing an opinion to the Board on any question relating to capital increase projects reserved for employees;
- proposing the annual amount of directors' fees and their allocation based on the contribution of each of the Board members to the Board and the Committees;
- being informed by General Management of the Group's salary policy, particularly the remuneration policy for key executives who are not corporate officers, including advantages in kind, such as pension plans, benefit schemes, company cars and lump-sum severance pay.

# The Strategy and Corporate Responsibility Committee

## Preamble

The aim of these rules of procedure is to review the composition and operating procedures of the Strategy and Corporate Responsibility Committee, founded by a decision made by NEOPOST's Board of Directors (hereafter referred to as 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 purpose of this Committee is to provide guidance through its analyses and discussions on the strategic orientations submitted to the Board by General Management and to monitor the implementation and progress of significant ongoing operations. The Committee examines the main strategic pillars, options or projects presented by General Management as well as their consequences in economic, financial, social and environmental terms; opportunities for significant acquisitions and divestments, financial transactions likely to significantly change the structure of the balance sheet; the company's commitments in terms of Corporate Responsibility, with regard to the issues specific to the Group's activities and its objectives.

## Composition of the Strategy and Corporate Responsibility Committee

The Strategy and Corporate Responsibility Committee is composed of three to four members of the Board. The Committee is composed of a majority of Independent directors. The members of the Committee are appointed by the Board, on the advice of the Appointments and Remuneration Committee. The members of the Committee are appointed for the period of their mandate as directors.

The chairmanship of the Committee is held by an Independent director.

## The operating procedures of the Strategy and Corporate Responsibility Committee

The Strategy and Corporate Responsibility Committee has an advisory role and has no decision-making authority. It prepares the information to be used by the Board in its deliberations.

## Meeting procedures

The Strategy and Corporate Responsibility Committee meets at least twice a year upon invitation of its Chairman, who may summon additional meetings.

The Committee may establish an annual programme listing the subjects and the dates on which they will be reviewed.

The Strategy and Corporate Responsibility Committee mainly interacts with members of General Management. It may hear members of the Executive Committee, the operational or functional departments of the Company and the Group, after having informed General Management, on the subjects dealt with by the Committee. Except when its presence is incompatible with the proper conduct of the proceedings, the Chief Executive Officer of the Company is invited by the Chairman of the Committee to attend the Committee's meetings.

The Committee conducts its mission in complete independence and may, if necessary, be assisted by external consultants, at the Company's expense, for technical studies within the scope of its mission, after having informed the Chairman of the Board and on condition that it reports to the Board. The Committee may decide to invite other Directors to participate in some of the Committee's discussions.

## Quorum

Strategy and Corporate Responsibility 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. Decisions of the Strategy and Corporate Responsibility Committee are made by a majority of the members present. In the event of a tie, the Chairman of the Committee shall have the casting vote.

## Convening meetings

Strategy and Corporate Responsibility 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. Members may propose other topics for discussion before or during the meeting.

## 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, the Director, and any person called to attend the meetings of the Strategy and Corporate Responsibility Committee, 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 Strategy and Corporate Responsibility Committee to which they belong and may not be shared with third parties or used outside the exercise of their functions.

## Minutes

Following each Committee meeting, the Chairman of the Committee 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 Strategy and Corporate Responsibility Committee

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

In this respect, the Strategy and Corporate Responsibility Committee is tasked with reviewing and expressing to the Board its opinions and recommendations on:

- the Group's strategic priorities and the resulting medium and long-term prospects;
- development projects of strategic importance to the Group, particularly in terms of external growth and, in particular, the acquisition or sale of subsidiaries and equity interests or other significant assets, investments and debt;
  
- the orientations, resources and achievements related to the Company's and the Group's social and environmental responsibility policy and the contribution to sustainable development, in particular in relation to the strategy;
  
- the orientations, resources and achievements related to the Company's and the Group's policy on ethics, compliance, and diversity.