



# CASINO, GUICHARD-PERRACHON

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## INTERNAL RULES OF THE BOARD OF DIRECTORS

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The Board of Directors has decided to consolidate, clarify and, if necessary, supplement the legal, regulatory and statutory provisions applicable to it.

For this purpose, the Board of Directors has established a set of internal rules to incorporate the principles and recommendations of the Afep-Medef Code of Corporate Governance (hereinafter the “Afep-Medef Code”) and the application guide of the High Committee on Corporate Governance (*Haut Comité de Gouvernement d’Entreprise*), to which it adheres, and to organise their implementation.

These internal rules describe how the Board of Directors and its Committees are organised and operate, their powers and duties, and the rules of conduct applicable to members of the Board of Directors.

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## **I. ORGANISATION AND OPERATIONS OF THE BOARD OF DIRECTORS**

### **Article 1. Election of Directors**

Directors are elected or their terms of office renewed, for three-years periods. They are eligible to stand for re-election on expiry of their term. Part of the Board of Directors is renewed each year.

Recommendations of candidates for election are first reviewed by the Appointments and Compensation Committee (see sections below entitled “Technical Committees of the Board - General provisions” and “Appointments and Compensation Committee”).

Directors must be selected based on their ability, the diversity of their experience, their desire to be involved in the development of the Company and its subsidiaries (the “Group”) and the contribution they can make to the Board of Directors’ efforts.

If, from one General Meeting to the next, one or more seats on the Board should become vacant due to the death or resignation of a Director, the Board of Directors may appoint temporary Directors. Such appointments are subject to the shareholders’ ratification at the next General Meeting. A Director appointed to replace an outgoing Director serves for the remainder of his/her predecessor’s term.

No person over the age of seventy (70) may be elected as Director or serve as permanent representative of a legal entity, if such election would cause the number of Directors and permanent representatives of legal entities over said age serving on the Board to rise above one-third of all Directors. Should this threshold be exceeded, the oldest Director or permanent representative of a legal entity is considered as having resigned at the Ordinary General Meeting held to approve the financial statements for the financial year in which the threshold was exceeded.

The Board of Directors seeks to apply the guiding principles of the Afep-Medef Code to its membership and, in particular, to its gender balance and number of Independent Directors, in accordance with the terms and criteria suggested, in particular, in the Afep-Medef Code.

The appointment of Directors representing employees is carried out according to the terms and conditions set forth in the French Commercial Code and the Company’s Articles of Association.

### **Article 2. Meetings and decisions of the Board of Directors**

The Board of Directors meets as often as necessary to protect the interests of the Company and whenever it deems appropriate.

Meetings are called by the Chairman or in the Chairman’s name by any person designated by him/her. If the Board of Directors has not met for more than two months, at least one third of the Directors may ask the Chairman to call a meeting to discuss a specific agenda. The Chief Executive Officer may also ask the Chairman to call a meeting of the Board of Directors to discuss a specific agenda.

Meetings are held at any venue specified in the notice of meeting.

A Director may choose another Director as his proxy to represent him at Board meetings. The proxy may be granted by any means as long as there is a clear indication of the Director’s desire

to be represented. Each member may represent only one other member.

Subject to prior notification and justification sent to the Company and the Board of Directors, a Director (and/or Non-Voting Director) may, for a limited period of time, request that no meeting notice, text of proposed decisions or documents necessary for the information of the Directors (and/or Non-Voting Directors) be sent to him and may request not to attend meetings of the Board of Directors (and/or committees).

The above paragraph's provisions shall apply to the permanent representative of a legal entity.

A quorum of at least half the Directors is required for the meeting to transact business validly. Decisions are made by majority vote of the members present in person or represented. In the event of a tie vote, the Chairman of the meeting casts the deciding vote.

In accordance with legal and regulatory provisions, members of the Board of Directors may participate in Board meetings via videoconference or telecommunications.

Said videoconference or means of telecommunication shall at least transmit the participant's voice and meet the technical requirements to allow identification of the Directors in question and to ensure their effective participation in the Board meeting, the proceedings of which shall be broadcast continuously and simultaneously.

In the event of doubt or poor reception, the Chairman of the meeting is authorised to postpone the meeting by a maximum of 2 hours. After this period, the Chairman is authorised to decide to continue the Board meeting without taking into account, in the calculation of the quorum and the majority, the member or members whose presence or voice can no longer be identified with sufficient certainty, provided that the quorum remains sufficient with the remaining Directors. In addition, the Chairman may also decide to interrupt the participation of the Director concerned in the Board meeting in the event of a technical malfunction during the meeting of the videoconferencing or telecommunication means that no longer ensures the complete confidentiality of the decisions.

Directors attending Board meetings by videoconference or telecommunication are deemed to be present for the purposes of calculating the quorum and majority, except in respect of the approval of the annual financial statements, the consolidated financial statements and the management report related thereto.

Furthermore, the Chairman may authorise a Director to take part in meetings by any other means of telecommunication, without such participation being taken into account for the purposes of calculating the quorum and majority.

The Board of Directors may also invite non-members of the Board of Directors to attend its meetings, without voting rights and in a consultative capacity only, including by videoconference or telecommunication.

An attendance register is drawn up and signed by the members of the Board of Directors attending the meeting.

By signing the attendance register, the Chairman of the meeting certifies the presence of the Directors attending a meeting via videoconference or telecommunication.

In accordance with legal and regulatory provisions, at the Chairman's initiative, the Board of Directors may adopt the following decisions by written consultation: (i) the temporary appointment of members of the Board should a seat become vacant or when the proportion of

Directors of either gender falls below 40%; (ii) the authorisation of sureties, underwritings and guarantees granted by the Company; (iii) bringing the Articles of Association into compliance with legal and regulatory provisions upon delegation by the Extraordinary General Meeting; (iv) the convening of the General Meeting; (v) the transfer of the registered office within the same county (*département*); and, (vi) more generally, any decision expressly provided for in the applicable legal and regulatory provisions. Written consultation with the Directors may be carried out by e-mail.

In this case, each Director is provided with the text of the proposed decisions and all the documents needed to ensure the Directors are informed. Directors shall cast their vote under the terms and conditions and within the time frame indicated in the consultation. Any Director that does not send his written response to the consultation to the Chairman of the Board of Directors within the applicable time frame is deemed not to have participated in the decision. Any decision made by written consultation is only valid if at least half of the members of the Board of Directors have participated in the decision by sending a written response. The majority rules described in paragraph 7 above apply to decisions taken by written consultation.

During the response period, Directors may send written questions to the Chairman of the Board, which shall be answered.

### **Article 3. Board meeting minutes**

Board resolutions are recorded in minutes signed by the Chairman of the meeting and at least one of the Directors present. Minutes are approved at the next Board meeting and a draft copy is sent to all Directors before said meeting.

The minutes shall mention the means of telecommunication or videoconferencing used and the name of each Director who attended in the Board meeting by these means. In this respect, the minutes shall also mention any technical incidents that may have occurred during the meeting.

Decisions taken by the Board of Directors following written consultations are recorded in minutes signed by the Chairman of the Board of Directors.

Copies of or extracts from the minutes are validly certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Deputy Chief Executive Officer, the Director temporarily acting as Chairman, the Secretary of the Board or an authorized representative.

### **Article 4. Compensation of the Board of Directors' members**

The Board of Directors can receive an aggregate annual compensation for its activities, determined by shareholders at the General Meeting.

The total amount of compensation thus allocated by the General Meeting pursuant to Article 22-II of the Articles of Association, is distributed by the Board of Directors, based on the proposal or recommendation of the Appointments and Compensation Committee, under the conditions set forth by law, in accordance with the following terms and conditions:

- A fixed amount allocated to each Director, payable half-yearly;
- A variable portion based on effective attendance at Board meetings, which shall be higher than the fixed amount;
- Any member of the Board of Directors can also receive a lump sum compensation in

consideration of his specific experience or special assignments entrusted to him.

The Board of Directors sets, as the case may be, the amount of any other compensation payable to the Chairman and Vice-Chairman or Chairmen of the Board of Directors. It may also allocate exceptional compensation for special assignments or duties entrusted to its members.

Board members can be reimbursed for reasonable costs and expenses incurred while performing their duties, insofar as they provide the supporting documents.

Each director, whether a natural person, a legal entity or a permanent representative, undertakes to hold a number of shares in the Company equivalent to the sum of at least equivalent to one year's Directors' compensation (fixed lump sum) in respect of his duties as Director (calculated using the basic fixed lump sum and the weighted average price of the Company's shares during the previous financial year). Each Director has a period of two (2) years from their entry into office or the renewal of their term of office to increase their holding of shares to this minimum level. The Company shares held by Directors shall be registered in the name of the same shareholder, either directly or through an intermediary, in accordance with the conditions set forth by law and regulations. These provisions do not apply to Directors representing employees.

## **II. AUTHORITY AND POWERS OF THE BOARD OF DIRECTORS**

### **Article 5. Duties and powers of the Board of Directors**

The Board of Directors carries out its duties in accordance with the provisions of Article L.225-35 of the French Commercial Code.

The Board of Directors also determines how the Company's Senior Management should be exercised, either by the Chairman of the Board of Directors or by an individual, who may or may not be a Director, appointed by the Board and having the title of Chief Executive Officer.

The Board of Directors exercises the powers vested in it by law and the Articles of Association. To this end, it has a right to information and communication, and can rely on the assistance of specialised technical Board Committees.

It ensures that shareholders and investors receive relevant, balanced and instructive information on the Company's strategy, development model and consideration of significant non-financial issues, as well as on its long-term prospects. It strives to promote the creation of long-term value for the company.

#### **A – Powers vested in the Board of Directors**

In particular, the Board of Directors examines and approves the individual and consolidated annual and half-yearly financial statements and submits reports on the business and results of the Company and its subsidiaries; it also approves management forecasts. It deliberates annually on the Company's policy on professional and wage equality in the workplace. Each year, it draws up the report on corporate governance pursuant to Article L.225-37 of the French Commercial Code and, particularly, the compensation policy for corporate officers pursuant to Article L22-10-8 of the French Commercial Code, which is included in said report.

It summons General Meetings and can, upon delegation, carry out securities issues.

## **B – Reserved Matters requiring the Board of Directors’ prior authorisation**

In addition to the prior authorisations expressly provided for by law concerning sureties, endorsements or guarantees on behalf of the Company and the regulated agreements referred to in Article L.225-38 of the Commercial Code, the Board of Directors has decided, as an internal rule, to submit for its prior authorisation certain management transactions carried out by the Company in consideration of their nature or amount, as specified in the paragraph “Senior Management” below.

Accordingly, the Board of Directors shall authorise all transactions that may affect the strategy of the Company and the subsidiaries, their financial structure or the scope of their activities, after consulting the Strategic Committee where appropriate.

### **Article 6. Right to obtain and receive information**

At any time of the year, the Board of Directors carries out the verifications and controls it deems necessary and at the times it deems appropriate. The Chairman or the Chief Executive Officer is required to provide each Director with all documents and information required for the performance of his duties.

Prior to each Board meeting, the members of the Board of Directors shall receive all the information they require, subject to availability and depending on the progress of the issues, to examine the points to be discussed by the Board of Directors.

The Board is kept regularly informed of and regularly reviews developments in the Group's business and results, major risks such as financial, operational, social and environmental risks, risk management policies, the financial situation and cash position, as well as all significant events and transactions relating to the Company.

The Chief Executive Officer provides the Board of Directors with the following information at least once every quarter:

- operations of the Company and its main subsidiaries including, in particular, revenues and changes in income;
- debt and the credit lines available to the Company and its main subsidiaries;
- headcount data for the Company and its main subsidiaries.

Once every six months, the Board of Directors reviews the Group's off-balance sheet commitments.

Board members also receive information on market trends, the competitive environment and key challenges, including the Company's social and environmental responsibilities.

Directors can request meetings with the Group's key executives, including in the absence of corporate officers, provided that the latter received prior notification of said meetings.

Between Board meetings, Directors shall receive all relevant information about the Company, including any documents issued by the Company to its shareholders.

**Article 7. Chairman of the Board of Directors**

The Chairman of the Board of Directors organises and chairs Board meetings, on which he reports to the shareholders at the General Meeting. He/she ensures that the Company's governing bodies operate properly and, in particular, that the Directors are able to perform successfully their duties.

The Chairman is elected for a term of no more than three years, and in any event for no longer than his term of office as Director. The Chairman's term of office may be renewed. If the Chairman reaches the age limit set by the Articles of Association, he remains in office until his current term expires.

In the event of the temporary inability to act or death of the Chairman, the Board of Directors may delegate the duties of Chairman to a Director. In the event of temporary impediment, this delegation is given for a limited period; it is renewable. In the event of death, the delegation is valid until the appointment of a new Chairman.

**Article 8. Senior Management**

Pursuant to the terms of Article L. 225-56 of the French Commercial Code, the Chief Executive Officer is vested with the broadest powers to act on behalf of the Company in all circumstances. He/she exercises these powers within the limits of the corporate purpose and subject to those powers expressly vested, by law, in shareholders' meetings and the Board of Directors. He represents the Company in its dealings with third parties.

However, the Board of Directors has decided to submit for its prior authorisation, as an internal rule, the transactions listed in Appendix A (the "**Reserved Matters**").

In addition, the Board of Directors resolves that the Chief Executive Officer may take the decisions referred to in Appendix B after obtaining the prior favorable opinion of the Strategic Committee, it being specified that the Strategic Committee shall report on its opinions in this respect to the next Board of Directors meeting.

All of these provisions apply to transactions carried out both by the Company itself and by the companies it directly or indirectly controls, with the exception of intra-Group transactions.

The term of office of the Chief Executive Officer is freely determined by the Board of Directors but may not exceed three years. If the Chief Executive Officer reaches the age limit set by the Articles of Association, he shall remain in office until the expiry of his current term.

If the Chief Executive Officer is temporarily unable to carry out his duties, the Board of Directors shall provisionally appoint a Chief Executive Officer whose term of office shall end on the date on which the Chief Executive Officer is again able to carry out his duties.

At the Chief Executive Officer's proposal, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer with the title of Deputy Chief Executive Officer.

The Board of Directors cannot appoint more than five Deputy Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers vested in the Deputy Chief Executive Officers. In relation to third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The Chairman, if he is also the Chief Executive Officer, the Chief Executive Officer or each of

the Deputy Chief Executive Officers are authorised to grant sub-delegations or substitutions of powers for one or more specific transactions or categories of transactions.

### **III. COMMITTEES**

#### **Article 9. Technical Committees of the Board - General provisions**

Pursuant to article 19-III of the Articles of Association, the Board of Directors may set up one or more specialised Committees, the composition and powers of which it shall determine and which shall carry out their activities under its responsibility. The purpose of these powers may not be to delegate to a Committee the powers vested in the Board of Directors by law or by the Articles of Association. Each Committee reports on its tasks at the next meeting of the Board of Directors.

The Committees are made up of at least three members, who may be individual Directors, permanent representatives or Non-Voting Directors, appointed by the Board of Directors. Members are appointed on an entirely personal basis and may not be represented.

The term of office of Committee members is set by the Board of Directors. The term of office of Committee members may be renewed.

The Board of Directors appoints a Chairman to each Committee; except in special circumstances, the position of Committee Chairman may not be held for more than three consecutive years.

Each Committee determines the frequency of its meetings. Each Committee may decide to invite any person of its choice to attend its meetings.

The minutes of each Committee meeting are drawn up, unless otherwise specified, under the authority of the Committee Chairman and sent to the members of the Committee. The minutes are also provided to all Board members as soon as they have been approved by the Committee. The Committee Chairman reports to the Board on the Committee's work.

The activities of each Committee are described in the Board of Directors' report on corporate governance.

Within its area of competence, each Committee issues proposals, recommendations and opinions as appropriate. To this end, it may carry out or commission any studies likely to enlighten the decisions of the Board of Directors.

Committee members receive specific compensation allocated by the Board of Directors based on the recommendation of the Appointments and Compensation Committee under the conditions laid down by law.

The Board of Directors currently relies on four Committees for assistance: the Audit Committee, the Appointments and Compensation Committee, the Strategic Committee and the Governance and CSR Committee.

Each Committee has its own organisational and operating charter, approved by the Board of Directors.

#### **Article 10. Strategic Committee**

##### **10.1. Membership - Organisation**



The Strategic Committee is made up of at least three members who are Directors or Non-Voting Directors (including at least two Directors), appointed by the Board of Directors and chosen for their knowledge and skills in the areas covered by the Committee. Members are appointed on an entirely personal basis and may not be represented.

The Strategic Committee meets at least twelve times per year, either on predetermined dates or according to current events, at the initiative of its Chairman, who may organise any additional meeting if circumstances so require. If they are unable to attend, Strategic Committee members may attend meetings by any means of telecommunication. The Chairman or the person delegated for this purpose draws up an agenda for each meeting, which is sent in advance to each member of the Strategic Committee.

The Strategic Committee may meet with any person of its choice from the functional departments of the Company and its subsidiaries, including in the absence of the Senior Management. In carrying out its duties, the Strategic Committee may call on any outside advisor or expert it deems useful. The Strategic Committee also has the power to organise any specific meetings with the statutory auditors and the management of the Company and its subsidiaries, as and when required.

The Strategic Committee reports to the Board of Directors on its work, studies and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

The Strategic Committee has drawn up a charter, approved in advance by the Board of Directors, describing its organisation, operation, powers and responsibilities.

## **10.2. Role and duties of the Strategic Committee**

To enable the Board of Directors to successfully manage the Company's development, the Committee carries out the following duties, without this list being exhaustive:

- review of the Group's overall medium and long-term strategy as proposed by the Company's Chief Executive Officer;
- review of all major plans relating to the development and strategic positioning of the Group, and in particular strategic partnership plans and material external growth operations, acquisitions, disposals, investments or, more generally, any operation of a strategic nature;
- strategic analysis of the Group's various business lines, implementation of the corporate strategy and review of strategically significant operations;
- review of the competitive environment, the main challenges facing the Group, and the resulting medium- and long-term prospects for the Group;
- review of the Group's geographical presence strategy.

In order to facilitate the Company's operations and enable it to take decisions quickly, the Board of Directors has decided that the Chief Executive Officer shall obtain the prior favourable opinion of the Strategic Committee for certain transactions which do not fall within the scope of the Board of Directors' Reserved Matters and which are listed in Appendix B (Prior Opinion of the Strategic Committee). Any decision covered by Appendix B shall first be submitted to the Strategic Committee, which shall issue a favorable prior opinion to the Chief Executive Officer. The Strategic Committee shall report its opinions to the next Board meeting.

## **Article 11. Audit Committee**

### **11.1. Membership - Organisation**

The Audit Committee has at least three members, two-thirds of whom are independent within the meaning of the criteria proposed by the Afep-Medef Code, appointed by the Board of Directors from among its members who are experienced in financial and management matters. Company executives may not be members of the Committee.

The Committee meets at least four times a year at the initiative of its Chairman, who may call additional meetings if circumstances so require. Members of the Audit Committee may attend meetings by any means of telecommunication if they are unable to attend. The Chairman or the person delegated for this purpose draws up an agenda for each meeting, which is communicated in advance to each Committee member.

The Audit Committee may meet with any person involved in the operational management of the Company and its subsidiaries, including in the absence of the Senior Management. In the performance of its duties, the Audit Committee may call on any outside consultant or expert it deems appropriate to assist in its duties. The Audit Committee also has the power to organise any specific meetings with the statutory auditors and the management of the Company and its subsidiaries.

The Audit Committee reports to the Board of Directors on its work, studies and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

The Audit Committee has drawn up a charter, approved in advance by the Board of Directors, describing its organisation, operation, powers and responsibilities.

### **11.2 Role and duties of the Audit Committee**

In accordance with the provisions of Article L.823-19 of the French Commercial Code, the Audit Committee, under the responsibility of the Board of Directors, is responsible for following up on issues relating to the preparation and auditing of accounting and financial information.

Company's executives may not be members of the Committee.

#### *11.2.1. Review of the accounts and the financial statements*

The main role of the Audit Committee is to assist the Board of Directors in examining and approving the annual and interim financial statements.

As part of its role in monitoring the process for preparing accounting and financial information, the Audit Committee examines the annual and half-yearly financial statements of the Company and the Group and the related reports before they are approved by the Board of Directors. It ensures that they are consistent with the information of which it is otherwise aware by considering the appropriateness of the accounting principles and choices used and their compliance with the accounting standards in force.

As part of its role in monitoring the process of preparing financial information, it provides recommendations, where appropriate, to ensure the integrity of this information.

The Committee reviews the procedures for approving the financial statements and the nature,

scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

In this respect, the Audit Committee meets and holds discussion with the Statutory Auditors, including, if it so wishes, without the Company's representatives being present, and reviews their audit reports and conclusions.

#### *11.2.2. Statutory Auditors*

The Audit Committee organises the procedure for selecting the Statutory Auditors and receives information on the selection procedures implemented within the Group's subsidiaries. In this respect, the Committee reviews and makes a recommendation on the candidates to be presented for appointment or re-appointment at the General Meeting, which is sent to the Board of Directors and prepared in accordance with the applicable regulations.

The Audit Committee ensures that the Statutory Auditors, with which it liaises on a regular basis, comply with the conditions of independence defined by the applicable regulations. In particular, it reviews their relationships with the Company and its subsidiaries and gives its opinion on their fees.

The Audit Committee approves the provision of services other than the audit of the financial statements that may be provided by the Statutory Auditors or members of their network in accordance with applicable regulations. It defines the approval procedure in accordance with the conditions, if any, specified by the competent authorities.

It monitors the progress of the Statutory Auditors' work.

The Audit Committee reports to the Board of Directors on the results of the audit engagement, the way in which this engagement contributed to improving the soundness of the financial information and the role the Committee played throughout this process.

#### *11.2.3. Monitoring of the effectiveness of internal control and risk management systems*

The Audit Committee monitors the effectiveness of the internal control and risk management systems and, where appropriate, the internal audit system, with regard to the procedures relating to the preparation and processing of accounting and financial information, without compromising its independence. It examines the Company's exposure to financial and non-financial risks. With the respect to non-financial risks, it may draw on the work of the Governance and Social Responsibility Committee.

The Audit Committee periodically reviews the internal control procedures and, more generally, the audit, accounting and management procedures of the Company and the Group, through discussions with the Chief Executive Officer, the internal audit teams, and the Statutory Auditors.

The Audit Committee is also responsible for examining any transaction, fact or event that may have a significant impact on the situation of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risks. It ensures that the Company and its subsidiaries have internal audit, accounting and legal teams that are able to anticipate and protect against risks and anomalies in the management of the Group's business.

#### *11.2.4. Prior review of related-party agreements*

The Board of Directors of Casino, Guichard-Perrachon has introduced a specific internal

procedure that requires the prior review by the Audit Committee of any agreements or transactions between Casino, Guichard-Perrachon or any of its wholly-owned subsidiaries (“Subsidiary”)<sup>1</sup>, on the one hand, and a related party, on the other hand, the amount of which, individually or in aggregate with the same related party during the same financial year, exceeds (i) 10 million euros per transaction, and above the threshold of 10 million euros in aggregate, (ii) 1 million euros per transaction.

Related parties include :

- (i) any company controlled exclusively or jointly, directly or indirectly, other than Subsidiaries;
- (ii) any company accounted for by the equity method in the consolidated financial statements;
- (iii) any company that directly or indirectly controls Casino, Guichard-Perrachon.

However, the procedure does not apply to related-party agreements and transactions regarding, in particular, routine business transactions carried out in the ordinary course of the Group’s business (for example, purchases/sales of goods, leasing of commercial premises and franchise or affiliation agreements) or the granting or remuneration of a surety or guarantee unless the remuneration is not in line with the standard operating procedure in place within the Group.

This prior review procedure is governed by a specific charter drawn up by the Audit Committee and approved by the Board of Directors.

In accordance with the policy established by the Board of Directors for determining and assessing current agreements, which is governed by a specific charter drawn up by the Audit Committee and approved by the Board of Directors, the Audit Committee carries out an annual review of agreements classified as current and reports to the Board of Directors. Each year, the Audit Committee also examines whether the current policy for determining and evaluating ordinary agreements is still appropriate to the Company's situation and, if necessary, proposes any required changes to the Board of Directors.

The Audit Committee may fulfil any other duties associated with its role at the request of the Board of Directors.

## **Article 12. Appointments and Compensation Committee**

### **12.1. Membership - Organisation**

The Appointments and Compensation Committee has at least three members, the majority of whom are independent within the meaning of the criteria proposed by the Afep-Medef Code, appointed by the Board of Directors. Company executives may not be members of the Committee. Nevertheless, the Chairman of the Board of Directors is involved in the procedure for selecting new Directors.

The Committee meets at least twice a year at the initiative of its Chairman, who may arrange additional meetings if circumstances so require. Committee members may participate in meetings, if unable to do so, by any means of telecommunication. The Chairman or the person delegated for this purpose shall draw up an agenda for each meeting, which shall be

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<sup>1</sup> “Subsidiary” refers to any company in which Casino, Guichard-Perrachon holds all the shares after deduction of the minimum number of shareholders required for certain types of companies, as well as the number of shares held by the Group's managers and employees up to a limit of 5%.

communicated in advance to each member of the Committee.

Together with the Chief Executive Officer, the Appointments and Compensation Committee can rely on the cooperation of the Group's Human Resources department, particularly whenever the Committee is informed on the compensation policy applicable to key executives who are not corporate officers.

In the performance of its duties, the Committee may call upon any external advisor or expert that it deems useful.

The Appointments and Compensation Committee will report to the Board of Directors on its work, research and recommendations. The Board of Directors has absolute discretion to decide whether or not to act on such recommendations.

## **12.2 Role and duties of the Appointments and Compensation Committee**

### *12.2.1. Compensation*

The Committee is responsible for:

- preparing the adoption by the Board of Directors of the compensation policy for corporate officers, describing all the components of fixed and variable compensation and explaining the decision-making process used to determine, review and implement it, and to ensure that the compensation policy for corporate officers is consistent with the Company's corporate interests, contributes to its long-term viability and is in line with its business strategy, in accordance with the law;
- preparing information for setting the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s), and proposing the qualitative and/or quantitative criteria for determining the variable part of this compensation, including one or more criteria relating to social and environmental responsibility;
- assessing all other benefits or indemnities granted to the Chief Executive Officer and, where applicable, to the Deputy Chief Executive Officer(s);
- submitting proposals and formulating opinions on Directors' compensation policy and any other compensation and benefits for Directors and Non-Voting Directors;
- Reviewing proposals for stock option plans and/or free shares plans to be granted to employees and managers of the Group, in order to enable the Board of Directors to set the total and/or individual number of options or free shares to be granted, as well as the terms and conditions of any such grants.

### *12.2.2. Appointments*

The Committee is responsible for:

- reviewing the composition of the Board of Directors;
- implementing the procedure for selecting new directors or renewing the terms of current Directors, as well as reviewing candidates based on the criteria and guidelines set by the Governance and CSR Committee;
- making recommendations of candidates to be appointed as members of the Board's specialised committees;

- reviewing potential candidates for the positions of Chief Executive Officer and, where applicable, Deputy Chief Executive Officer;
- obtaining all relevant information relating to the recruitment terms and conditions, compensation and status of senior executives of the Company and its subsidiaries;
- periodically assessing the independence of Directors based on the criteria set forth in the Afep-Medef Code;
- reviewing the talent development and succession plans;
- stating its opinion on the appointment of the Lead Director, who is selected from among the members of the Governance and CSR Committee, based on the Chairman and Chief Executive Officer's proposal.

## **Article 13. Governance and CSR Committee**

### **13.1. Membership - Organisation**

The Governance and CSR Committee is made up of at least three members appointed by the Board of Directors from among the Directors, at least two-thirds of whom shall be independent within the meaning of the criteria set out in the Afep-Medef Code. It may not include any executives.

The Committee meets at least three times a year at the initiative of its Chairman, who may arrange additional meetings if circumstances so require. If a member of the Committee is unable to attend a meeting in person, he/she may participate via any means of telecommunication. The Chairman or the person delegated for this purpose shall draw up an agenda for each meeting, which shall be communicated in advance to each member of the Committee.

In the performance of its duties, the Committee may call upon any outside consultant and experts it deems appropriate.

The Governance and CSR Committee reports to the Board of Directors on its work, research and recommendations, with the Board of Directors having absolute discretion to decide whether or not to act on such recommendations.

### **13.2 Role and duties of the Governance and CSR Committee**

#### *13.2.1. Corporate governance*

The Committee is responsible for:

- preparing and updating the internal rules of the Board of Directors, as well as the charters of its specialised Committees set up within the Board, the charter relating to related-party agreements and any other charter in force;
- reviewing changes in corporate governance guidelines (in particular within the framework of the Afep-Medef Code) and to identify emerging practices or significant developments in corporate governance-related regulations and/or practices, both in France and abroad;
- leading discussions and formulating recommendations to the Board of Directors on best practice in corporate governance and, where appropriate, on the action to be taken;

- monitoring the corporate governance-related practices implemented by the Group's subsidiaries and ensuring their consistency with those in force within the Company. If necessary, the Committee will issue recommendations;
- preparing for the Board's examination of corporate governance issues;
- reviewing the draft report on corporate governance on an annual basis and submitting any observations before it is approved by the Board of Directors.

#### *13.2.2. Directors' conduct*

The Governance and CSR Committee is called upon to:

- deal with matters relating to the code of ethics applicable to Directors. In this area, it discusses issues referred to it by the Board of Directors or its Chairman, or on its own initiative.
- In this respect, the Governance and CSR Committee ensures that a Directors' Charter is drawn up and, where appropriate, regularly updated.
- ensure compliance with and proper application of the rules of professional conduct, in particular those set out in the Directors' Charter.

#### *13.2.3. Assessment of the Board of Directors*

Within the framework of corporate governance principles, the Governance and CSR Committee is responsible for setting the terms and conditions and implementing the assessment of the Board of Directors' organisation and operation.

#### *13.2.4. Membership of the Board of Directors and Committees of the Board*

The Governance and CSR Committee periodically reviews the structure, size and membership of the Board of Directors and its Committees and submits recommendations to the Board for any changes.

#### *13.2.5. Corporate Social Responsibility (CSR)*

In line with the Group's strategy, the Governance and CSR Committee examines the Group's commitments and policies in terms of ethics and corporate social and environmental responsibility, the implementation of these policies and their results, and submits any opinions or recommendations to the Board of Directors.

Together with the Audit Committee, it ensures that systems are in place to identify and manage the main risks associated with these issues and that they comply with legal and regulatory requirements (particularly in terms of preventing and detecting corruption and influence peddling).

The Governance and CSR Committee examines the reporting procedures for non-financial information and the key non-financial performance indicators adopted and analyses the Group's participation in non-financial indices.

The Governance and CSR Committee examines the information provided annually in the management report in respect of non-financial information, in accordance with legal provisions and provides its observations before its approval by the Board of Directors.

The Governance and CSR Committee examines the gender equality policy with a view to the Board of Directors' annual debate, as provided for in Article L.225-37-1 of the French Commercial Code.

The Governance and CSR Committee also reviews the objectives for gender diversity within the Group's management bodies, as proposed by the Senior Management. It reviews the procedures for implementing these objectives, including the action plan and the time frame within which these actions will be carried out, and, each year, the results obtained, which are presented to it by Senior Management.

#### *13.2.6. Management of conflicts of interest*

The Governance and CSR Committee may examine any exceptional issue that could give rise to a conflict of interest within the Board of Directors and issue opinions and recommendations in this respect.

### **IV. LEAD DIRECTOR**

#### **Article 14. Lead Director**

The Lead Director is appointed from among the independent members of the Governance and CSR Committee, on the proposal of the Chairman and Chief Executive Officer and upon review by the Appointments and Compensation Committee.

The Lead Director ensures that combining the roles of Chairman of the Board of Directors and Chief Executive Officer does not interfere with the proper functioning of the Board of Directors, for example in terms of information provided to Directors, the agenda and the organisation of decisions.

To this end, the Lead Director may, if necessary, refer to the Governance and CSR Committee at any time any issues that may give rise to difficulties.

The Lead Director may attend meetings of Committees of which he is not a member and has access to their work and to the information made available to them.

Each year, the Lead Director presents a report to the Governance and CSR Committee on the conditions under which the respective roles of Chairman and Chief Executive Officer are exercised.

The Secretary of the Board of Directors is available to assist the Lead Director in the performance of his duties.

### **V. NON-VOTING DIRECTORS**

#### **Article 15. Non-Voting Directors**

The Ordinary General Meeting may appoint Non-Voting Directors, who may be natural persons or legal entities, chosen from among the shareholders. The Board of Directors may appoint a Non-Voting Director subject to ratification by the next General Meeting.



The number of Non-Voting Directors may not exceed five. Their term of office is three years. They may be re-elected indefinitely.

All Non-Voting Directors are deemed to have resigned at the end of the Ordinary General Meeting called to approve the financial statements for the year in which they reach the age of 80.

The Non-Voting Directors attend meetings of the Board of Directors, they submit their observations and opinions known and participate in the decisions in a consultative capacity only.

Non-Voting Directors may be appointed as members of specialised committees under the conditions set out in the charter governing the committee concerned.

They may receive compensation, the total amount of which is set by the Ordinary General Meeting and maintained until a new decision is taken by another meeting. This compensation is allocated among the Non-Voting Directors by the Board of Directors as its own discretion.

## **VI. DIRECTOR'S CODE OF CONDUCT**

This section sets out the rights and obligations of directors and censors.

### **Article 16. Principles**

All members of the Board of Directors must be able to exercise their duties in compliance with the rules of independence, business ethics and integrity.

In accordance with the principles of good corporate governance, each member of the Board of Directors shall exercise his duties in good faith, in the manner he considers most appropriate to promote the Company and with the care that would be expected of a reasonably prudent person acting under such circumstances.

Each Director undertakes, in all circumstances, to maintain his freedom of analysis, judgement, decision and action and to reject any pressure, direct or indirect, that may be exerted on him.

### **Article 17. Duty of information**

Before accepting office, each member of the Board of Directors must review the legal and regulatory texts relating to his position, the applicable Codes and proper corporate governance practices, as well as the Company's specific requirements arising from the Articles of Association and these internal rules.

Members of the Board of Directors have a duty to request the information they consider necessary to carry out their duties. To this end, they shall ask the Chairman, within the appropriate timeframe, for the information they need to make a useful contribution to the matters on the Board's agenda.

Each member of the Board of Directors may, if he/she deems it necessary, receive additional training on the Group's specific characteristics, its businesses and sectors of activity, the challenges it faces in terms of social and environmental responsibility, and accounting or financial aspects, in order to perfect his knowledge. Directors representing employees receive training tailored to their duties.

**Article 18. Protection of the Company's interests – Conflicts of interest**

Even though he/she is a shareholder, each Director acts as a representative for all shareholders and must act in all circumstances in the Company's corporate interests.

Each member of the Board of Directors is bound by a duty of loyalty to the Company. He/she will take no action that could adversely affect the interests of the Company or the Group's companies.

Each member of the Board of Directors undertakes to ensure that the Company's decisions do not favour one particular class of shareholder over another.

Each member of the Board of Directors must alert the Board of any actual or potential conflict of interest in which he/she may be directly or indirectly involved. In such case, he/she must abstain from voting on the matters in question.

Each member of the Board of Directors must consult with the Chairman prior to undertaking in any assignment or accepting any function or duties that could, even potentially, result in conflict of interest for the Director in question. The Chairman may refer such matters to the Governance and CSR Committee or to the Board of Directors.

**Article 19. Control and assessment of the Board of Directors' operations**

Directors must pay careful attention to the manner in which powers and responsibilities are respectively assigned to and exercised by the Company's corporate bodies.

Directors must ensure that no person can exercise uncontrolled discretionary power over the Company; and that the Committees of the Board of Directors operate effectively.

Once a year, the Board of Directors discusses its operations.

The Board of Directors also routinely conducts an assessment of its own operations, which is entrusted to the Governance and CSR Committee by the Chairman of the Board.

Directors meet at least once per year, without the Senior Management present, to discuss any matter. These meetings are chaired by the Chairman of the Board of Directors.

**Article 20. Presence of Directors – Aggregation of offices**

Each Director must comply with the legal provisions in force governing the aggregation of offices, as well as with the recommendations of the Afep-Medef Code.

Each member of the Board of Directors must disclose to the Company any and all offices he/she holds in other French or foreign companies. He/she must inform the Company as soon as possible regarding any new office or professional function he/she accepts. Additionally, whenever he/she exercises executive duties for the Company, he/she must receive the Board of Directors' favourable opinion prior to accepting a new corporate office in a publicly traded company external to the Group.

Each member of the Board of Directors must devote the appropriate amount of time and attention to his/her duties. He/she shall be diligent and attend all meetings of the Board of Directors, general meetings of shareholders and meetings of the Committees on which they serve.

## **Article 21. Confidentiality**

Directors, and any other persons attending the Board of Directors' meetings, are subject to a general confidentiality requirement with regard to the deliberations of both the Board and its Committees.

Non-public information shared with a member of the Board of Directors in the context of his/her duties is shared on strictly personal basis. He/she must personally protect the confidentiality of such information and must not disclose it under any circumstances. This requirement also applies to representatives of legal entities serving on the Board, as well as to Non-Voting Directors of the Board.

The permanent representative of a director or non-voting director which is a legal entity or a director or a non-voting director who is (i) an executive or legal representative of a legal entity shareholder, or (ii) a person having closed links with legal entity shareholder (such as an employment contract) disclosed at the time of his appointment, as a director or a non-voting director, may communicate, in the normal course of his duties as a director or a non-voting director, documents or non-public information (which may, where applicable, constitute inside information regarding the Company) communicated or made available to him by or on behalf of the Company in the context of the said mandate (including any information provided by managers, employees or other representatives of the Company at the request of the director or non-voting director in accordance with these internal regulations) to the manager(s), corporate officer(s) or employee(s) of this legal entity shareholder or its group, in charge of monitoring and managing the investment in the Company (including the management team in case an investment fund is a direct or indirect shareholder) and their advisors (subject, in the case of external service providers other than legal advisors, to giving prior notice to the Company), it being specified, however, that :

- such communication shall only be made for the purposes of the proper performance of such director's or non-voting director duties within the Company and in the Company's interest (it being specified that the director or non-voting director concerned must refrain from making any communication if he identifies an existing or potential conflict of interest between the Company and a person or entity who may be the recipient of the information);
- such this communication must be limited, in terms of both content and number of recipients, to what is strictly necessary for this purpose, in compliance with the applicable regulations and these internal regulations and in the Company's interests; and
- the director or non-voting director may only communicate information to persons or entities authorized in application of the foregoing after ensuring that such persons or entities (a) respect the strict confidentiality of the information transmitted (in particular by signing confidentiality undertakings and monitoring the identity of persons having access to such information, which they must make available to the Company prior to any communication of this information to these persons), (b) comply with the provisions of these internal regulations and, where applicable, the rules governing the communication and use of insider information, and (c) have taken all necessary measures to ensure that their representatives and advisers comply with the foregoing provisions above.

## **Article 22. Shareholding - Dealing in the Company's shares**

All of the Company's shares held by a Director or a non-voting director, his/her unemancipated minor children, or his/her spouse (provided they are not separated), must be registered shares.

Directors or a non-voting director shall also inform the Company regarding the number of Company securities they hold as of 31 December of every year and at the time of any financial transactions, or at any time at the Company's request.

Every member of the Board of Directors undertakes to comply with the provisions of the Insider Trading Policy he/she received, relative to securities transactions and to preventing the use of inside information, and with any applicable legal or regulatory provision.

In particular, pursuant to the terms of Article 19 of Regulation (EU) no. 589/2014 of 16 April 2014 on Market Abuse and of Article L.621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*), each member of the Board of Directors is required to notify the AMF and the Company of any transactions he has carried out involving the Company's financial instruments, under the conditions set forth in the Insider Trading Policy. This requirement also applies to persons closely related to the members of the Board of Directors. Members of the Board of Directors shall notify persons closely related to them regarding their reporting obligations and provide the Company with a regularly updated list of such persons.

Voting and Non-Voting Directors should note that they are likely to be exposed to inside information and that they shall, prior to undertaking any transaction dealing in companies' financial instruments, ensure they are not in violation of any insider trading provisions.

Therefore, as specified in the Insider Trading Policy, in the event that they hold inside information, Directors and Non-Voting Directors are required, in particular, to refrain from engaging, either directly or indirectly, or via an intermediary, in any transaction dealing in the financial instruments to which this inside information relates, or in the instruments to which these financial instruments are related, or from sharing this information with third parties until it is effectively released to the public.

In addition, each member of the Board shall also refrain from completing any transaction on his own behalf or on behalf of a third party, either directly or indirectly, that involves the financial instruments of the Company, during the 30 days preceding the publication date of the Company's annual and interim financial statements, and the 15-day period preceding public disclosure of the Company's quarterly revenue. This restriction also applies on the dates of public disclosure of said annual and interim financial statements and quarterly revenue.

## **VII. ADOPTION OF THE BOARD OF DIRECTORS' INTERNAL RULES**

These internal rules were approved by the Board of Directors at its meeting on 9 December 2003. They were last updated on 29 July 2024.

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## **Appendix A – Reserved Matters for the Board of Directors**

The "**Reserved Matters**" are related firstly to (1) Corporate and legal decisions, and secondly to (2) Business and Commercial decisions. Their implementation requires the prior authorisation of the Board of Directors, where appropriate after consultation with the relevant specialised committee of the Board of Directors with regard to the tasks entrusted to it.

In each case, excluding operations and/or transactions, the specific terms of which have been clearly and explicitly detailed, quantified and authorised in the Group's current business plan or current annual budget (previously approved by the Board of Directors and as amended, where applicable, by the Board of Directors).

### **1. Corporate and legal decisions**

- a) Delisting of Casino ;
- b) Approval, implementation or modification of any material reorganization ;
- c) Any merger, demerger, spin-off, contribution or any transaction of similar effect with respect to any Group company ;
- d) Any repurchase or cancellation of own shares by a Group company ;
- e) Any capital increase or issue of equity securities or securities granting access, whether immediately or in the future, to the share capital of any Group company in each case to the benefit of a third party;
- f) Any proposal of material changes to the Articles of Association of any Group company;
- g) Any proposal or payment concerning any dividend, or any other distribution;
- h) Decision to initiate or to implement any insolvency procedure, dissolution, cessation of business, winding-up or liquidation with respect to any Group company ;
- i) Decision to approve the Company's financial statements and the Group's consolidated financial statements;
- j) Any transaction with related parties as defined under articles L. 225-38 of the French Commercial Code, except for transactions referred to under L. 225-39 of the French Commercial Code ;
- k) Any proposal for the appointment, renewal or dismissal of the Company's statutory auditors;
- l) Any amendment to the Internal Rules of the Board of Directors or any amendment to the charters of the specialised Committees;
- m) Disclosure policy in compliance with applicable laws and regulations on market disclosure requirements.

## **2. Business and commercial decisions**

- a) Approval and significant amendment of the Group's annual budget (as well as the individual budgets of the main operating units - Monoprix , Franprix, CNova, Proximité), financing policy and business plan, any significant change in strategy concerning business sectors or activities (including intra-group), it should be noted that any variance of 5% or more (below or above the target) in the Group's overall EBITDA or FCFE compared with the Group budget (or each individual budget) shall be submitted to the Board of Directors (without this authorising the increase or decrease of each budget line within these limits);
- b) Disposal or acquisition of a substantial part of the business, significant shareholdings or strategic assets (enterprise value or including debts relating to the entity or business sold or acquired) with a value exceeding €250 million;
- c) Any decision to participate in any project or to enter into, modify or terminate any agreement representing a cost to the Company or a volume of sales for an annual amount exceeding €250 million;
- d) Any capital expenditure (i) in excess of €100 million individually, or (ii) in excess of €250 million in aggregate in any given financial year;
- e) Entering into, amendment or termination of any shareholders' agreement, partnership agreement (other than in ordinary course of business) or joint venture agreement giving rise to a commitment by any Group company (including any potential commitment), for the term of such agreement, for a total amount in excess of €250 million;
- f) Any borrowing or other financial indebtedness (other than drawings under the existing RCF) where the Group company concerned is acting as debtor, excluding (x) borrowing or other financial indebtedness for which prior authorisation has been granted by the Board of Directors (y) borrowing or other financial indebtedness up to a cumulative amount of €250 million in any given financial year and (z) for the avoidance of doubt, operational financing in the ordinary course of business (factoring, supplier financing, etc.);
- g) Any borrowing or other financial indebtedness for an annual amount not exceeding €100 million or more where the Group company concerned is acting as creditor, excluding, for the avoidance of doubt, financial indebtedness in the ordinary course of business;
- h) Any decision that may constitute an event of default in respect of any agreement relating to financial indebtedness where the amount of financial indebtedness at stake exceed €100 million;
- i) Any decision to grant a security, a surety, an endorsement, a pledge, or, more generally, a guarantee, with a value equal to or greater than €150 million, granted by a Group company in order to meet its debts or secure other debts in favour of third parties, excluding sureties, endorsements and guarantees in the name of the Company on behalf of third parties falling within the scope of the annual authorisation granted by the Board of Directors to the Chief Executive Officer;
- j) Entering into an agreement with any consultant, advisor or similar service provider if the total compensation exceeds €10 million in a given financial year;

- k) Initiation (as plaintiff or defendant) or settlement by a Group company of litigation or arbitration proceedings for an amount in excess of €250 million;
- l) Any establishment of activities in a new jurisdiction or any start-up of a new activity involving expenditure in excess of €250 million;
- m) Any transaction which is not a current transaction for the Company entered into under ordinary conditions;
- n) Any transaction other than those referred to in paragraphs (b) to (m) above and with a value in excess of €100 million;
- o) Policy for composition of the Casino Executive Committee and that of the main *business units* (in particular Franprix, Monoprix, DCF/Proximité and CNova) (i.e. the number of members of each Executive Committee and the distribution of posts within each Executive Committee concerned);
- p) Allocation or modification of any stock option plan or free share allocation plan of any Group company (or any other similar instrument or incentive plan) for the benefit of executive corporate officers, members of executive or management committees and/or employees of any Group company or certain categories of employees (within the limits, where applicable, of the authorisations granted to the Board of Directors by the general meeting of shareholders).

## Appendix B - Prior Opinion of the Strategic Committee

Without prejudice, where applicable, to the opinion of the relevant specialised Committee of the Board of Directors with regard to the duties entrusted to it.

- a) Disposal or acquisition of a substantial part of the business, significant shareholdings or strategic assets with a value of between €25 million and €250 million;
- b) Any decision to participate in a project or to enter into, amend or terminate an agreement for an annual amount of between €25 million and €250 million;
- c) Any capital expenditure (i) of between €25 million and €100 million individually, or (ii) of between €100 million and €250 million in aggregate in any given financial year;
- d) Entering into, amendment or termination of a shareholders' agreement, partnership agreement (other than in the ordinary course of business) or joint venture giving rise to a commitment by a Group company (including any potential commitment, such as, by way of illustration, a promise to purchase), for the term of such agreement, or in the event of termination or expiry of this agreement, for a total amount of between €50 million and €250 million;
- e) Any borrowings or other financial indebtedness (other than drawings under the existing RCF) where the Group company concerned acts as debtor, excluding (x) borrowings or other financial debt for which prior authorisation has been granted by the Board of Directors (y) borrowings or other financial debt in an annual amount of between €100 million and €250 million and (z) for the avoidance of doubt, operational financing in the normal course of business (factoring, supplier financing, etc.);
- f) Any borrowing or other financial indebtedness for an annual amount of between €25 million and €100 million where the Group company concerned is acting as creditor, excluding, for the avoidance of doubt, financial indebtedness in the ordinary course of business;
- g) Any decision that may constitute an event of default in respect of any agreement relating to financial indebtedness where the amount of financial indebtedness at stake is between €10 million and €100 million;
- h) Any decision by a Group company to grant a security, a surety, an endorsement, a pledge, or, more generally, a guarantee, in an amount of between €25 million and €150 million, in order to meet its debts or secure other debts in favour of third parties, excluding sureties, endorsements and guarantees in the name of the Company on behalf of third parties falling within the scope of the annual authorisation granted by the Board of Directors to the Chief Executive Officer;
- i) Proposal by the Chief Executive Officer to appoint or dismiss a member of the Company's Executive Committee (with the exception of the Chief Executive Officer);
- j) Proposal by the Chief Executive Officer to appoint or dismiss a member of the executive committees or management committees of all *business units* (Franprix, Monoprix, DCF /Proximité and CNova), at the initiative of the Chief Executive Officer of Casino, including in the event of a new Executive Committee;



- k) Any proposal by the Chief Executive Officer to set or change the compensation (including variable compensation/bonuses and the definition of the related Key Performance Indicators (KPIs) and LTIP) of any member of the Company's Executive Committee or that of each *business unit* concerned (with the exception of the Chief Executive Officer) or any proposal by the Chief Executive Officer to waive the non-competition/exclusivity undertakings entered into by a member of the Company's Executive Committee or that of each *business unit* concerned (with the exception of the Chief Executive Officer), it being specified that any proposal to grant stock options or free shares will be decided by the Board of Directors after consulting the Appointments and Compensation Committee, in accordance with the tasks entrusted to it, and without prejudice to the information provided to the Appointments and Compensation Committee on the compensation policy for the main non-corporate officers;
- l) Conclusion of a contract with any consultant, advisor or similar service provider if the total compensation is between €3 million and €10 million;
- m) Initiation (as claimant or defendant) or settlement by a Group company of litigation or arbitration proceedings in an amount of between €25 million and €250 million;
- n) Any establishment of activities in a new jurisdiction or any start-up of a new activity involving expenditure of between €25 million and €250 million;
- o) Any transaction other than those referred to in paragraphs (a) to (n) above and with a value of between 25 million and 100 million euros (with the exception of the transactions referred to in 2 m) of the Reserved Matters);

In each case, excluding operations and/or transactions (i) the specific terms of which have been clearly and explicitly detailed, quantified and authorised in the Group's current business plan or current annual budget (previously approved by the Board of Directors and as amended, where applicable, by the Board of Directors) or (ii) which have already been authorised by the Board of Directors under the Reserved Matters.