



# **ESI Group**

*A French Société Anonyme*

With a share capital of 18 192 423 €

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France

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## **Internal rules of the Board of Directors**

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## 1. Preliminaries

The Board of Directors is a collegial body which collectively represents all shareholders and acts in all circumstances in the interest of ESI Group.

ESI Group Board of Directors has established internal rules reflecting its operating rules, its composition, its duties and the means provided, with the aim of improving working methods and information of its members. It establishes the ethical rules, obligations and rights that are imposed on its members, as well as its relations with the Committees and the Management (the “**Internal Rules**”)

These Internal Rules were adopted by the Board of Directors during its meeting on 26th of November 2009 and were last updated on February 28<sup>th</sup>, 2022 in order to be aligned with the most recent rules guaranteeing the compliance with the fundamental principles of corporate governance. They specify the roles and powers of the Board and Observers in line with and in addition to the articles of association.

These Internal Rules apply to all members of the Board of Directors and to the Observers. They must be communicated and signed before taking office to any candidate for the office of Director or Observer as well as to any permanent representative of a legal person.

## 2. Composition, Organization and Functioning

### 2.1. Composition

The composition of the Board of Directors complies with the provisions set out in the Articles of association.

### 2.2. Independent Directors

The Director is deemed independent when he does not directly or indirectly maintain any relationship of any kind that could compromise the exercise of his freedom of judgment. The assessment of the independence of a Director is the responsibility of the Board of Directors, which deliberates on the proposal of the Nomination and Governance Committee.

Determining the independence of Directors is the responsibility of the Board to deliberate on the proposal of the Nomination and Governance Committee.

The examination of the situation of each Director and criteria are discussed and made public.

Qualified independent directors may meet on their own initiative during Executive sessions. They may meet the main directors of the Group outside the presence of corporate officers, subject to prior request to the Chairman of the Board of Directors who will bring it to the attention of corporate officers.

### 2.3. Observers

The Board of Directors may appoint one or more Observers, individuals or legal entities, who may be shareholders or non-shareholders. The position of Observer may also be a means of integrating a candidate, before proposing his or her appointment as Director, or of ensuring a transition by appointing as Observer a Director whose term has expired.

### 2.4. Meetings of the Board of Directors

#### 2.4.1. Chairmanship

The chairman shall preside over all meetings of the Board, directs the debates and implements the present internal rules. He ensures the quality of exchanges and collective decision-making. In case of impediment he is replaced according to the statutory provisions.



#### **2.4.2. Frequency of meetings**

The Board of Directors meets at least four times a year and in accordance with the conditions laid down in the articles of association.

The governance report will annually report on the number of meetings and presence of members including the precision on the Executive Meetings without the presence of the Chief Executive Officer of the Company.

#### **2.4.3. Convocation**

In addition to the articles of association, it is specified that a schedule of meetings for each year is sent to the Directors and to the Observers no later than 15th December of the previous year. Meetings are convened by letter, e-mail, or through the dedicated governance platform or even verbally. The notifications addressed to the Directors and the Observers are sent by the Secretary of the Board.

In any event, the Board of Directors may, at each of its meetings, deliberate on matters not put on the agenda that have been communicated to the Chairman by two or more other Directors.

#### **2.4.4. Quorum and majority**

The Board may not validly deliberate unless half of the Directors are present or deemed present (see 2.4.5 hereafter) without taking into account represented members.

The deliberations and decisions of the Board are taken by majority vote of the members present, deemed present or represented at the time of voting. In case of equality of vote, the Chairman shall have a casting vote.

A member of the Board of Directors may give a written mandate to another member of the Board to represent him at a meeting.

#### **2.4.5. Means of video-conference and telecommunication**

Meetings of the Board may be held entirely by video-conference or other mean of telecommunication. The Chairman ensures that these means are made available to Directors and Observers who are unable to be physically present to a meeting of the Board to enable them to participate effectively in the said Board meeting.

Directors participating in the meeting by video-conference or other means of telecommunication are deemed present for the calculation of quorum and majority.

The register of attendance of the meeting of the Board shall mention, where appropriate, the participation by video-conference or other means of telecommunication by the concerned Directors or Observers.

The minutes of meeting of the Board of Directors shall include the names of the Directors and the Observers participating in the meeting by video-conference or other means of telecommunication. They shall also report the occurrence of eventual technical problems related to a video-conference or other means of telecommunication, including interruption and recovery of the remote working/participation.

In case of dysfunctioning of the video-conferencing system or other means of telecommunication system recorded by the Chairman of the meeting, the Board of Directors may validly deliberate/be held only with members physically present when the quorum majority is met.

The foregoing provisions shall not apply to the adoption of decisions referred to in Articles L 232-1 and L 233-16 of the commercial code related to the establishment of annual accounts and management report of the Group.

### **2.5. Role of the Board Secretary**

According to the Articles of Association, the Board of Directors appoints the Secretary who can be a non-member of the Board. The Secretary of the Board shall proceed to convene meetings of the



Board on behalf of the Chairman and prepare draft minutes of Board meetings that are subject to approval of the Board.

He is in charge of sending the working documents to the Directors and the Observers and shall remain available for any inquiry regarding their rights and obligations, the operation of the Board or the Company.

The Board Secretary is also Secretary of the Audit Committee, Strategic Committee, Compensation Committee, Nomination and Governance Committee and Marketing and Technology Committee with the possibility to delegate this responsibility.

The Board Secretary is authorized to issue and certify copies or extracts of minutes.

## **2.6. Board Member Information**

All documents relating to meetings of the Board and Committees (presentations, notes and minutes in particular) are made available to all Directors and the Observers except in urgent cases, within a reasonable time before the date of the meeting.

The Board of Directors carries out the controls and verifications it deems appropriate. All the necessary documentation and information is provided to the Directors and the Observers for the performance of their duties. Unless the confidentiality or physical obstacles make it impossible, a record related to items on the agenda requiring a preliminary study is addressed to Directors and Observers in a timely manner prior to meetings.

At each meeting of the Board of Directors, the Chief Executive Officer informs its members and Observers of the main facts and significant events relating to the daily business of the Group that have occurred since the date of the previous Board meeting. In addition, the Chief Executive Officer informs the Board of Directors and the Observers on a regular basis and at least once every six months of the Company's financial position, cash position and commitments.

In addition, Directors and Observers are kept regularly informed between meetings of all events or transactions that are significant to the Group's life. As such, they are provided with all the financial press releases issued by the Company.

## **2.7. Minutes of Meetings**

The minutes of meeting are prepared in accordance with conditions set out in Articles of Association.

The draft minutes of each meeting shall be sent to the Directors and the Observers at the same time as the notification of the next meeting. The minutes are approved at the next meeting.

## **2.8. Compensation of members of the Board of Directors**

### **2.8.1. Procedure for allocation of compensation for participation to the Board**

Directors are granted a compensation for their participation to the Board. The total annual amount is determined by the general meeting, is subject to an annual decision of the Board of Directors.

Observers may also be granted a compensation for their participation to the Board.

The compensation of the executive directors is fixed and based on the level of responsibility within the company. The executive directors do not receive any additional compensation for their participation in the Committees.

The compensation of the independent directors and Observers takes into account their actual attendance at meetings of the Board and their participation in Committees. The Chairman of each Committee receives an additional fee. The Board chairman receives also an additional fee.



Allocation of compensation for directors (per year, in €) for a 100% attendance at Board and Committee meetings:

In € (per year)	Board Chairmanship	Board of Directors	Committee Membership	Audit Committee Chairmanship	Other Committee Chairmanship
Independent Director	120,000	30,000	4,000	24,000	14,000
Non Independent Director	N/A	10,000	N/A	N/A	N/A

The payment of directors' compensation for participation to the Board is done once a year following the Shareholders' Meeting having approved the accounts of the previous year. However, the payment of Directors' fees may be made monthly for executive Directors.

The Board of Directors may pay the Observers a portion of the compensation that the general meeting has allocated to the Directors and/or grant them additional compensation for specific missions or mandates entrusted to them.

#### 2.8.2. Reimbursement of expenses

The members of the Board of Directors and Committees as well as the Observers benefit from the reimbursement of all expenses incurred by their function subject to the submission of the necessary supporting documents.

#### 2.9. Monitoring and assessment of members

The Board of Directors shall annually conduct an assessment of its work:

- It provides an update on its operating procedures, its composition and organization, as well as those of its Committees.
- It ensures that important issues are suitably prepared and discussed.

The Board of Directors shall report this assessment in the minutes of the meeting and informs shareholders annually in the Report on Corporate Governance about the implementation of assessment and if appropriate, the subsequent measures taken.

#### 2.10. Attendance of the Directors

The Directors attend the meetings of the Board of Directors and make their best effort to attend as well the General Meetings.

The Directors devote the necessary time to their duties.

Directors shall limit the number of their mandates and board chairs in other companies so as to maintain sufficient availability.

The Company's Registration Document reports on the attendance of the Directors at meetings of the Board of Directors and the Committees.



### **2.11. Training of Directors**

Each Director may receive additional training on the specifics of the Group, its businesses and covered industry sectors as well as on accounting and financial aspects to improve his knowledge.

This can also include external or internal training courses either on governance or on activity of the Company.

These trainings are organized by the Company and are the sole responsibility of the Company.

### **2.12. Availability of computer equipment**

In order to enable the Directors and the Observers to fulfill their missions, they can be provided, upon request and for the duration of their term, with a laptop whose use and restitution are detailed below.

Any request for computer equipment should be made to the Secretary of the Board who then provides the equipment against receipt.

Given the sensitive nature of the information provided to the Directors and the Observers for the performance of their duties, computer equipment that is made available should be a tool primarily dedicated to the work of the Board. To this end, proper technical precautions shall be taken in connection with the IT department of the Group, to preserve the confidentiality of the Group's information.

At the end of their term and after the last meeting of the Board attended by the Directors and the Observers, they must return the computer equipment to the Secretary of the Board.

### **2.13. Protection of directors and officers**

In accordance with recommendations and market practices, the Company has taken steps to subscribe an insurance policy relating to the civil liability of its officers and directors. The principles and limits of these insurance policies are communicated to officers and directors on demand to the Company's Board secretary.

## **3. Role and powers of the Board of Directors**

### **3.1. Missions and role of the Board**

The Board of Directors is a collegial body, in that the Directors collectively perform the duties that are granted by law to the Board. The Directors do not hold any power in their individual capacity, except the Chairman by virtue of the role and powers conferred on him by the law and the articles of association-

In case of any conflict of interests with one point on the meeting agenda, each member notifies at the beginning of the meeting and leaves the meeting when the topic of conflict of interest is discussed.

The Board of Directors has the following powers without this list being exhaustive:

- Convening of General Meetings (Article L 225-103 of the French Commercial Code);
- Establishment of the inventory, annual and consolidated accounts and annual management reports (Article L.232-1 of the French Commercial Code);
- Preparation of the report on corporate governance (Article L 225-37 para.6 of the French Commercial Code);
- Approval of the annual budget and the medium-term plan, including investment budgets;
- Authorization of regulated agreements (L225-38 of the French Commercial Code);
- Co-optation of Directors (Article L 225-24 of the French Commercial Code);





- Appointment and dismissal of the Chairman of the Board of Directors (Article L 225-47 of the French Commercial Code), the Chief Executive Officer (Article L 225-51-1 and Article L 225-55 of the French Commercial Code), the deputy Chief Executive Officers (Article L 225-53 and Article L 225-55 of the French Commercial Code) and the allocation of their remuneration (Article L 225-47 and Article L 225-53 of the French Commercial Code);
- Succession to the position of Chairman, Chief Executive Officer, as well as senior management positions, primarily in the ELT.
- In deliberation with the CEO, approval of appointment and dismissal of senior management positions, primarily in the ELT
- Appointment of the members of the committees (Article R 225-29) and audit committee (Article L 823-19 of the French Commercial Code);
- Appointment of chairpersons for each committee
- Allocation of Directors' fees (Article L. 225-45 of the French Commercial Code) and allocation of exceptional remuneration (Article L 225-46 of the French Commercial Code);
- Transfer of the registered office in accordance with the articles of association (art L 225-36 of the French Commercial Code);
- Decision to cumulate or dissociate the functions of Chairman and Chief Executive Officer (Article L 225-51-1 of the French Commercial Code);
- Mandatory annual decision on the company's policy on professional and wage equality between all employees and between women and men (Article L 225-37-1 of the French Commercial Code)

Finally, the Board approves the strategic orientations of the Company and the Group, following the recommendations of the Strategic Committee, and ensures their implementation. The Board guarantees that the content of the information received by shareholders and investors is relevant, balanced and educational with respect to the strategy, the development model, the consideration of extra-financial issues by the Company and the long-term prospects of the Group.

The Board ensures that the conditions for dialogue between the officers, the Directors, the Observers and the shareholders are met with, for example, an organization of the general meeting which makes it generally accessible to all. At the end of the general meeting, the board considers the result of the votes. In capital-controlled companies, it pays particular attention to negative votes by looking, among other things, at how the majority of the minority voted and learns from it before the next general meeting.

In addition to legal provisions, article 3.3 below describes the management operations subject to the prior authorization of the Board of Directors.

### **3.2. Role of the Chairman of the Board of Directors**

The role of the Chairman of the Board of Directors is defined as per the Articles of Associations of the company and applicable law.

### **3.3. Role of the Management, and limitation of powers (see Articles of Association)**

The Chief Executive Officer represents the Company in its dealings with third parties. He is vested with the broadest powers to act in all circumstances in the name of the Company, provided that the act he carries out is part of the corporate object and is not expressly reserved to Shareholders' Meetings or to the Board of Directors.

Without prejudice to the legal provisions relating to authorizations to be granted by the Board (regulated agreements, sureties, endorsements and guarantees, transfers of participations or real estate, etc.), the Chief Executive Officer must obtain the prior authorization of the Board of Directors for the following operations that are outside the scope of day-to-day management:



- purchase or acquire, sell or dispose of, or mortgage any real estate, pledge any movable property and claim, where the transaction exceeds the amount of 100 000 euros;
- operations intended to consent to or contract any loans or loans, credits or advances, where these exceed an amount of 2 000 000 euros;
- direct or equity transactions that may affect the Group's strategy and substantially modify its financial structure or scope of business;
- settle any dispute and take legal action, with the exception of debt recovery actions or any day to day operations and urgent actions such as provisional or conservatory measures.
- the issue of security interests, guarantees, endorsements or guarantees where these exceed an annual amount of 100,000 euros;
- the issue of securities, whatever their nature, which may lead to a change in the share capital, regardless of the amount.

The Chief Executive Officer establishes an ESI Leadership Team meeting (ELT). The purpose of this ELT is to assist the Chief Executive Officer on an operational level, both in terms of decision-making and implementation.

### **3.4. Board interactions**

#### **3.4.1. Board access to management**

If a member of the Board considers that the information provided to him/her is not sufficient to fulfill its duties at a given Board meeting, this member may request such information to the Chairman of the Board or to the Chief Executive Officer.

Furthermore, the Board may invite from time to time to its meetings, in agreement with the Chief Executive Officer, members of management who: (a) can provide additional insight into the items being discussed, and/or (b) are managers with future potential for the purpose of exposure to the Board.

Directors and Observers are expected not to individually meet or communicate with the Company's managers, except with the prior authorization of the Chief Executive Officer who may request a debrief, either oral or written, which he will share with the other members of the Board of Directors. As an exception, the Chairman of a committee may discuss with senior executives for the purpose of the committee preparing proposals, recommendations and opinions for the Board.

#### **3.4.2. Board interactions with other parties**

The Board may organize discussions with the Company's most significant shareholders in order to ensure a meaningful dialogue between the Board, management and these shareholders. Outside of these organized discussions and the shareholders' meetings, Directors and Observers are expected not to individually meet or communicate with the Company's shareholders.

Directors and Observers shall not speak on behalf of the Company with third parties and shall strictly comply with their confidentiality obligations as set forth in Article 5.3 of these Internal Rules.

## **4. Committees**

### **4.1. Committees – Common provisions**

To optimize its deliberations, the Board of Directors may establish specialized Committees of which it defines powers and areas of responsibility. These Committees have no inherent power with respect to third parties and shall act under the exclusive authority of the Board of Directors which only makes decisions.



They prepare the deliberations of the Board and make proposals, recommendations and opinions within their area of competence. Each meeting is the subject of minutes distributed to all members. They must regularly report their activities to the Board of Directors. These Committees should conduct an annual review of their activities and set goals for the coming year.

#### **4.1.1. Operating procedure**

Each Board Committee reports regularly to the Board of Directors on the performance of its duties and informs it without delay of any difficulty encountered.

Each Board Committee meets at least twice a year and whenever the interests of the Company require, convened by its Chairman.

The convocation is carried out by any means, and except in case of urgency, notified within a reasonable time.

Each Board Committee may invite to its meetings the officers and executives of the Company and its subsidiaries, the Statutory Auditors and, more generally, any other person who may assist it to achieve its purpose.

It can request/receive any internal document and any information necessary for its proper functioning. It will make the request to the Board Secretary or the Chief Executive Officer.

It may also ask any expert of his choice to assist it in his mission, at the expense of the Company.

The documents necessary for the members of a Committee to form an opinion shall be sent to them, except in cases of urgency, within a reasonable time before the date of the meeting.

#### **4.1.2. Meeting process**

The Chairman of a Committee sets the meeting agenda for that committee.

The Committee collectively reviews the items on the agenda and meets at the registered office of the Company or digitally.

The Committee can only validly meet if half of its members are present.

In the absence of the Chairman, the chairmanship will be held by the oldest member in tenure of the Committee.

A member of the Committee cannot be represented. He must personally attend the meetings of the Committee.

The Board Secretary is also Secretary of the Audit Committee, Strategic Committee, Compensation Committee, Nomination and Governance Committee and Marketing and Technology Committee with the possibility to delegate this responsibility.

Each meeting of a Committee leads to the drafting of minutes which will be approved by the members at the next meeting of that Committee.

The minutes will be kept at the registered office of the Company by the Board Secretary.

A Committee reports on its work to the next Board of Directors in the form of a presentation by the Chairman of the Committee who, on the basis of the minutes, sets out the discussions, the conclusions and any recommendations and opinions.



These conclusions may also result from a written consultation or a written document signed by all members of the Committee.

## **4.2. Strategic Committee**

### **4.2.1. Powers and duties**

The Strategic Committee is in charge of preparing the deliberations of the Board of Directors on the major strategic challenges of the Group, especially development axes and financing as well as examining the evolution of the Group's business portfolio.

The Strategic Committee is namely in charge of, upon proposal from the Chief Executive Officer:

- Considering the position occupied by ESI Group on the market where the Group operates as well as its expected evolution, taking into account the development of major competitors.
- Making proposals to the Board on the main lines of development of the Group in the medium / long term as well as the necessary resources to conduct this development.
- Analyzing external growth opportunities.

### **4.2.2. Composition**

The composition of the Strategic Committee is decided by the Board of Directors.

The Strategic Committee is composed of at least three members, including the Chairman of the Board of Directors. The Chairman of the Strategic Committee is appointed from among its members by the Board of Directors.

The Observers may attend meetings of the Strategic Committee at the request of the Board of Directors.

Other members of the Board of Directors and the ELT or persons likely to provide relevant information on the topics covered can be invited to meetings of the Strategic Committee.

## **4.3. Compensation Committee**

### **4.3.1. Powers and duties**

The mission of Compensation Committee is to prepare the decisions of the Board of Directors concerning the compensation of executive officers and the policy for granting stock options and / or purchase of actions (and, where appropriate, policy of free shares).

In particular, the Compensation Committee issues recommendations to the Board of Directors on:

- the compensation policy of the Group, in particular for key directors, officers and Observers, as well as the amount of the resulting compensation.
- the general policy to grant options to subscribe or purchase shares or free shares, reported in the annual report and the special report dedicated to the shareholders at the General Meeting, and the frequency of allocations.
- the allocation of stock options or purchase of shares in favor of employees and / or corporate officers, as well as any pattern of ownership of Employees (profit sharing...), to issue an opinion on the legal and financial conditions of these plans, and the list of beneficiaries related to strategic goals.
- the company's policy on equal pay and equal wages for all employees and between women and men (art L 225-37-1 of the French Commercial Code).

### **4.3.2. Composition**

The composition of the Compensation Committee is decided by the Board of Directors.



The Compensation Committee is composed of at least three members mainly independent according to criteria specified and made public by the Board of Directors. The Observers may attend meetings of the Compensation Committee at the request of the Board of Directors.

The Chairman of the Compensation Committee is appointed from among its independent members by the Board of Directors.

#### **4.4. Nomination and Governance Committee**

##### **4.4.1. Powers and duties**

The mission of Nomination and Governance Committee is to prepare the decisions of the Board of Directors concerning the changes in the composition of the governing bodies of the Company.

In particular, the Nomination and Governance Committee issues recommendations to the Board of Directors on:

- the composition of the Board in view of the composition and evolution of the shareholding of the company, research and evaluation of potential candidates, the opportunity of reappointments.
- the procedure for selecting future independent Directors and Observers.
- the succession plan for corporate officers in case of unexpected vacancy, hiring, nomination or dismissal of officers.
- the criteria of independence of Directors and assessment of independence.
- the assessment procedures of the functioning of the Board and its Committees.
- In deliberation with the CEO, appointment and dismissal of senior management positions, primarily in the ELT.
- the monitoring of the corporate social responsibility (CSR) policy in line with the group's strategy.

##### **4.4.2. Composition**

The composition of the Nomination and Governance Committee is decided by the Board of Directors.

The Nomination and Governance Committee is composed of at least three members mainly independent according to criteria specified and made public by the Board of Directors. The Observers may attend meetings of the Nomination and Governance Committee at the request of the Board of Directors.

The Chairman of the Nomination and Governance Committee is appointed from among its members by the Board of Directors.

#### **4.5. Audit Committee**

##### **4.5.1. Powers and duties**

According to the regulation in force the Audit Committee monitors issues relating to the preparation and control of accounting and financial information.

Without prejudice to the powers of the bodies responsible for the administration, management and supervision, this committee is responsible for the following tasks:

- It monitors the process of developing financial information and, where appropriate, makes recommendations to ensure its integrity;
- It monitors independently the effectiveness of internal control systems, risk management and, where appropriate, internal audit regarding the procedures relating to the preparation and process of the accounting and financial information;
- It controls the foreign exchange and interest rate risk management policy and reviews the mapping of the main risks,



- It controls the conditions of exercise of the mission of the statutory auditors. It must thus:
  - pilot the procedure of selection of the statutory auditors; it submits the result of this selection to the Board of Directors and issues a recommendation on the Statutory Auditors proposed for appointment to the General Meeting. If necessary, it supervises the call for tenders and validates the specifications and the choice of the consulting firms
  - be informed each year of the fees paid to the Company's Statutory Auditors and receive their declaration of independence;
  - ensure the independence of the statutory auditors: it examines with them the risks, if any, and the safeguard measures taken to mitigate these risks. The Committee ensures that they comply with the legal and regulatory provisions relating to the incompatibilities of the profession of statutory auditor. In this context, the Audit Committee ensures compliance with the rotation obligations;
- It reports to the Board of Directors on a regular basis on the performance of its tasks; it also reports on (i) the results of the annual certification of the accounts, (ii) the way this certification contributed to the integrity of financial reporting, and (iii) the role it played in this process.
- It makes a global review on the services other than account certification (SACC) which can be ordered by the Company.

During each Audit Committee, a time can be allocated with the auditors and board members but without the presence of the Chief Executive Officer and Chief Financial Officer of the Company.

#### **4.5.2. Composition**

The composition of the Audit Committee is decided by the Board of Directors.

The Audit Committee may not include Directors in charge of an executive function within the Group.

At least one member of the Committee shall have specific expertise in the field of finance, accounting and legal control and be independent.

The Audit Committee is composed of at least three members mainly independent according to criteria specified and made public by the Board of Directors. The Observers may attend meetings of the Audit Committee at the request of the Board of Directors.

The Chairman of the Audit Committee is appointed from among its independent members by the Board of Directors.

## **4.6. Technology and Marketing Committee**

### **4.6.1. Powers and duties**

The Technology and Marketing Committee advises the Board of Directors on the strategy, development and marketing of the Group's solutions. Within the framework of this mission, the scope of action of the Technology and Marketing Committee mainly concerns, upon proposal of the Chief Executive Officer, deliberations on:

- the company's competitive position
- Industry strategy (multi-horizon), including ecosystem levers (partnerships) and acquisitions
- the internal organization to define, develop, market and price solutions, including differentiating by market



- Revenue generation strategy and execution
- Return on Investment (ROI)

#### **4.6.2. Composition**

The composition of the Technology and Marketing Committee shall be decided by the Board of Directors.

The Technology and Marketing Committee is composed of at least three members. The Observers may attend meetings of the Technology and Marketing Committee at the request of the Board of Directors.

The Chairman of the Technology and Marketing Committee is appointed from among its members by the Board of Directors.

## **5. Rules of Ethics for Board Members**

### **5.1. Principles-Director's Charter**

The Board of Directors refers to the Director's Charter proposed by the IFA (French Institute of Directors) and in appendix to these internal rules, with which each Director and Observer of the company is required to comply.

### **5.2. Reminder of rules and enforcement of securities policy**

The Directors and the Observers must put in registered form any ESI Group shares held.

With respect to transactions carried out by a Director or an Observer on the company's securities it is noted that, they have access to inside information, which should it become public knowledge, could influence the company share price or any securities issued by the company.

Hence, in accordance with the regulations and administrative provisions currently in force, in particular the regulations relating to market abuse, all Directors and Observers are required:

- to refrain from using inside information to perform transactions directly or through an intermediary on company securities;
- not to knowingly allow third parties to perform such transactions;
- not to communicate this information to third parties through carelessness or negligence.

In addition, and without prejudice to laws and regulations applicable to transactions qualified as "insider information" or periods called "quiet period" are defined annually, periods during which Directors and Observers refrain from proceeding directly or through a third person to any transaction on shares or securities of the company (including the exercise of stock option subscriptions and share purchase). These periods cover:

- The 30 calendar days preceding the date of publication of half year and annual consolidated financial statements and the date of publication of this information and the day following the publication;
- The 15 calendar days preceding the date of publication of quarterly revenue and the date of such publication and the next day.

The exact "quiet period" timeline is sent annually to the Directors and the Observers by the secretary of the Board given that whether specific "negative interventions" are implemented as part of strategic or financial transactions, Directors and Observers would be immediately informed by the secretary of the Board.



In addition, the Directors and the Observers must not have recourse to any risk hedging transactions in respect to their own shares in the company.

According to and under the conditions set by the Monetary and Financial Code and the General Regulations of the Financial Markets Authority (AMF), Directors and Observers must notify the AMF all their transactions done on ESI Group stock as well as those of people they are related to. Each Director and each Observer undertakes to inform the secretary of Board of the completion of these transactions within two days of their completion.

Any Director or Observer may at any time consult the secretary of the Board on the scope of the “quiet period” planning and when appropriate on the conditions of its application to particular cases.

### 5.3. Reminder of the duty of confidentiality of the Directors

Directors and Observers and all persons participating in the work of the Board of Directors or the Committees, are bound by an absolute obligation of confidentiality - which goes beyond the simple obligation of discretion provided by the texts - with regard to:

- The content of the debates and deliberations of the Board of Directors and its Committees
- All the information and documents presented to them, or which are communicated to them for the preparation of their work, or which they would have known in the course of their duties.
- This obligation of confidentiality applies in principle, regardless of whether or not the President has explicitly indicated the confidential nature of the information.

### 5.4. Effective date of entry into force

These Regulations shall enter into force when they have been adopted by a majority of the members of the Board of Directors. Any change or addition shall be submitted to the Board for a vote under the same conditions and shall enter into force on the same day.

## 6. Amendment of the Internal Rules

These Internal Rules are reviewed each year and whenever necessary by the Board of Directors and systematically when a significant change in management occurs in the Company, in particular during a change in the person of the Chairman of the Board of Directors, the Chief Executive Officer or when a decision to combine or dissociate the functions of Chairman of the Board of Directors and Chief Executive Officer.

The Board of Directors therefore remains in a position to make any changes or adjustments to these Internal Regulations, to adapt to changes in the Company, its governance and its environment.

Before accepting his appointment, any Director or Observer is required to become acquainted with the legal and regulatory obligations relating to his duties, the articles of association of the Company and these Internal Rules.

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Digitally signed on February 28<sup>th</sup>, 2022 by all members of the Board of Director of the Company

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**Appendix - Director's charter - IFA**



## Charter of Directors

Charte de déontologie de l'administrateur

version : 23/06/2009



### Preamble

*The object of this Charter is to contribute to the quality of the Directors' work by encouraging the effective application of the principles and good practices of corporate governance. Directors of listed and non-listed companies which are members of IFA commit themselves to adhering to the guiding rules included in this Charter and to implementing them.*



### Article 1. Administration and Social Interest

The director has to act accordingly to the company's social interest, no matter what the circumstances are. He must consider himself as the representative of all the shareholders, independently of his position in the company and he also has to take into account the other parties' expectations.

### Article 2. Respect for the Laws and Statutes

The director has to be aware of all his rights and duties. Particularly, he has to know and respect the rules and legal dispositions regarding his position, codes and good governance practices, as well as the specific rules that result from the companies' own status and from the internal governance of its Board.

### Article 3. Exercise of the Functions: Guidelines

The director must exercise his functions with independence, integrity, loyalty and professionalism.

### Article 4. Independence, Courage and Expression of Duty

The director must ensure his independence of judgement, decision and action under any circumstances. It is prohibited to let the social interest that he defends be influenced by any foreign element.

He must alert the Board to any element that may affect the interests of the company.

He has the duty to clearly express his questions and opinions. He will try to persuade the Board of the relevance of his positions. In the event of a disagreement, he will ensure that this is explicitly recorded in the meeting's minutes.

### Article 5. Independence and Conflict of Interest

The director has to avoid any conflict that might exist between his moral and material interests and those of the society. He must inform the Board of any conflict of interest in which he might be involved. Whenever he can not avoid a conflict of interest he must refrain from taking part in the debates and in any decision about the concerned issues.

LE RÉSEAU DE RÉFÉRENCE DES ADMINISTRATEURS EN FRANCE  
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Association régie par la loi du 1<sup>er</sup> juillet 1901 - N° de SIRET : 451 971 675 000 17 - Code APE : 9499Z

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### Article 6. Integrity and Loyalty

The director acts in good faith under any circumstances and does not take any initiative that could harm the interests of the company.

He commits to respecting the absolute confidentiality of the information he receives, the debates at which he takes part and the decisions reached.

It is prohibited for the director to use the privileged information he has access to for his own profit or that of others. When the information he has access to due to his position in the society has never been made public it is prohibited to use it or provide it to others to carry out operations.

### Article 7. Professionalism and Implication

The director must commit himself to give the necessary time and attention required by his functions.

He will make sure that the number and load of his director's duties allow him enough availability, especially if he has any additional executive functions.

He will gather information about the specificities of the company: jobs, stakes and values even asking its main managers.

He will diligently take part in the Board meetings and in the special committees he belongs to.

He will attend the stakeholders' General Assemblies.

He will make the effort to obtain in due time the elements that he finds essential for his information to allow the Board to debate it with all the necessary knowledge.

He will commit to update the knowledge he finds useful and necessary for the good exercise of his mission.

### Article 8. Professionalism and Efficiency

The director will contribute to the corporatism and efficiency of the deliberations of the Board and of the special committees eventually formed within it. He will suggest any recommendation that he considers might improve the functioning of the Board, especially when it is being evaluated. He will also accept the evaluation of his procedures within the Board.

He will commit himself, together with the rest of the Board members to ensure that the control and orientation missions are effectively achieved without restriction. He will especially ensure that the procedures to control the application and respect of the laws and rules are in place, in letter and in spirit.

He will also ensure that the positions adopted by the Board will be, without any exception, the object of formal decisions, correctly motivated and transcribed in the meetings' minutes.

### Article 9. Application of this Charter

Taking into account that these principles are essential for the proper functioning of a Board, the directors members of IFA will make the necessary efforts to watch over the correct application of this Charter within the Boards they are a part of.

In the case when a director member of IFA is not anymore in a position to execute his functions according to the Charter, whether it is for personal reasons or others regarding the rules and laws of the society where he holds his mandate, he must inform the Chairman of the Board, look for solutions to solve the situation and assume the personal consequences regarding his mandate.

*The recommendations compiled in this Charter have been drafted with reference to the Boards of anonymous societies. They also concern the anonymous societies with a Supervisory Board of Directors.*