



CASINO, GUICHARD-PERRACHON

Charter of the Board of Directors' Audit Committee

The Audit Committee of Casino, Guichard-Perrachon was established by the Board of Directors at its meeting dated September 4, 2003, pursuant to its decision to change its corporate management structure to that of a French *société anonyme* (joint stock company) with a Board of Directors. The Committee was created based on the previous Audit Committee established by the Supervisory Board on October 28, 1994.

On March 10, 2004, the Audit Committee a charter compiling and describing the rules applicable to its organisation and functioning, as well as the powers and duties assigned to it, as defined by the Board of Directors. It also includes the corporate government principles that the Company decided to implement.

The Charter is also modified on a regular basis in order to comply with the provisions set by French legislation and European regulations, as well as with the AFEP/MEDEF Code's recommendations.

The Audit Committee is hereby responsible for assisting the Board of Directors in the review and the approval of the annual and interim accounts, as well as regarding any event bearing a potentially significant impact on the Company or its subsidiaries. Within this framework, the Audit Committee is, “under the responsibility of the Board of Directors, in charge of monitoring issues relating to the preparation and auditing of accounting and financial information.”

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Organisation and Functioning of the Governance Committee:

1.1. Composition

The Audit Committee has at least three members, two-thirds of whom are independent within the meaning of the criteria set out in the AFEP/MEDEF code, and of whom at least one has relevant skills and experience in financial, accounting, or statutory auditing matters. The members are appointed by the Board of Directors. Company executives may not sit on the committee.

Members are appointed on a personal basis and may not be represented by another person.

The Chairman of the Audit Committee is also appointed by the Board of Directors and must be independent in the meaning of the criteria set out in the AFEP/MEDEF code. Barring extra-ordinary circumstances, the office of Committee Chairman cannot be held for more than three consecutive years.

The Board of Directors determines the duration of the Audit Committee members' terms of office, without prejudice to said members' rights to resign before their respective terms expire or the Board of Directors' right to terminate their respective directorships.

1.2. Meetings

The Committee meets at least three times per year at the initiative of its Chairman, who may also arrange any additional meetings as required.

The Committee may also convene at any time if requested by at least half of its members, the Chairman of the Board of Directors, or the Chief Executive Officer. Meetings are held at the venue specified in the notice of meeting sent out by the Chairman or any person he or she appoints to do so on his or her behalf.

The members of the Audit Committee must attend all meetings, it being specified that, if a given member were unable to physically attend a meeting, he or she may participate via any means of telecommunication. The Chairman, or any Committee member appointed for that purpose, draws up an agenda and sends it to each Committee member before the meeting.

Each meeting's minutes are prepared under the Chairman's authority and are sent to the Committee's members.

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

The Audit Committee is assisted by the Secretary of the Board of Directors in the preparation and organisation of its meetings.

1.3. Means

- 1.3.1. Upon their appointment or at their request, the members of the Audit Committee will receive specific information regarding the Company and the Group's accounting, financial, and operational details.
- 1.3.2. All functional departments of the Company and its subsidiaries including, but not limited to, the Finance, Accounting, Internal Control, Internal Auditing, Management Control, and Legal departments, collaborate with the Audit Committee and participate in the fulfillment of its duties.
- 1.3.3. The Governance Committee is granted the financial and physical (equipment, human resources) means necessary to carry out its duties, the costs of which are borne by the Company.
- 1.3.4. Each of the members of the Audit Committee has the right to be reimbursed for any expenses incurred while exercising his or her duties. Additionally, the Board of Directors can grant a specific allowance or additional attendance fees to the Audit Committee's members.

1.4. Authority and Powers of the Committee

- 1.4.1. The Audit Committee has the authority to obtain, from all executives and employees, any information, memorandum, and analysis on the Company and its subsidiaries that the Audit Committee deems necessary in the fulfillment of its duties. After informing the Chief Executive Officer, the Committee can also contact and meet with any executives of the Company and its subsidiaries, as well as with the statutory auditors of the Company or its subsidiaries, as necessary.

The Audit Committee can conduct or ask the Chief Executive Officer to conduct any investigation or complete any audit-related assignment on any of the issues for which it is responsible.

Together with the Chief Executive Officer and the functional departments, the Audit Committee can draft any methodological document useful in the fulfillment of its duties.

- 1.4.2. The Audit Committee has the authority, if deemed necessary, to call upon the advice or opinion of any independent consultant or expert.

The Audit Committee can invite the aforementioned consultants or experts to its meetings. It can also decide, insofar as necessary, to invite any person of its choice to its meetings. However, only Committee members can take part in the voting process.

- 1.4.3. The authority granted to the Audit Committee in the context of its responsibilities cannot grant said Committee any powers assigned to the Board of Directors by law or in the Articles of Association, or reduce or restrict the Chief Executive Officer's powers.

II. Responsibilities of the Audit Committee

The Audit Committee is hereby responsible for assisting the Board of Directors in the review and the approval of the annual and interim financial statements, as well as in the context of any transaction, occurrence, or event bearing a potentially significant impact on Casino, Guichard-Perrachon or its subsidiaries in terms of commitment and/or risk.

In this capacity, and in accordance with the terms of Article L. 823-19 of the French Commercial Code, the Audit Committee, acting under the authority of the Board of Directors, is responsible for following up on issues pertaining to the preparation and audit of accounting and financial information.

Therefore, and without prejudice to the administrative and executive bodies' authority, the Committee is responsible for supervising, amongst others:

- the process for preparing the financial information,
- the effectiveness of internal audit and risk management systems,
- the Statutory Auditors' assignments and situation.

2.1. Review of the account and financial statements

2.1.1. In the context of its supervision of the process for preparing the accounting and financial information, the Audit Committee reviews the Company and the Group's annual and interim financial statements and their corresponding reports before the Board of Directors approves them. It ensures that the information contained in these financial statements is consistent with other information to which it has been exposed, while assessing the validity of the accounting principles applied and choices made and their compliance with accounting standards in force.

In the context of its monitoring of the preparation of financial information, it provides recommendations, as the case may be, to guarantee such information's integrity.

The Audit Committee must review the financial statements at least two days before the Board of Directors.

It reviews the quality and comprehensiveness of the information provided in the draft annual report prepared in the context of approving the financial statements.

Therefore, the Committee is responsible for informing the Board of Directors on how the Company and the Group's financial statements are prepared and on the internal control mechanisms in effect during their preparation.

It reviews the terms and conditions applicable to approving the financial statements, as well as the type, scope and outcome of the work undertaken by the Statutory Auditors for the Company and its subsidiaries.

At the time of approval of the interim and annual financial statements, the Group's finance team informs the Audit Committee regarding any significant off-balance sheet risks and commitments.

- 2.1.2. Together with the Statutory Auditors, the Committee also reviews the results of their audits, any potential issues they may have encountered in completing their work and, as the case may be, any differences relative to the assessment rendered by the Accounting and Finance departments and/or the Internal Auditing department.
- 2.1.3. The Committee can read and review all financial statements prepared by the Company's subsidiaries: income statements, balance sheets, notes, financing statements, cash and debt positions, off-balance-sheet commitments. It can prepare or order any report or analysis related thereto.
- 2.1.4. The Committee reviews the main accounting matters, particularly those pertaining to complex or unusual transactions, or those subject to significant interpretation.

It keeps abreast of legal and regulatory developments, as well as the changes and adaptations necessary for accounting standardisation, and assesses their impact on the financial statements.

As the case may be, and subject to applicable non-disclosure rules, it liaises with the Audit Committee and the Statutory Auditors of the companies that control Casino.

- 2.1.5. The Committee can review the press releases drafted by Senior Management on the annual and interim financial statements. It checks their consistency with accounting records and statements.

The Audit Committee can also review any other financial information disclosed to financial analysts and rating agencies.

2.2. Statutory Auditors

- 2.2.1. The Audit Committee carries out the process for selecting the Company's Statutory Auditors. In this capacity, it advises the Board on whether or not to initiate a request for proposals. It supervises said request for proposals, as the case may be, and approves the specifications and the selection of firms under consideration.

It provides its recommendation on the candidates to be presented for appointment or renewal by the General Shareholders' Meeting, which is sent to the Board of Directors and prepared in accordance with applicable regulations.

The Committee also receives information on the selection process implemented by the Group's subsidiaries.

- 2.2.2. The Audit Committee ensures that the Statutory Auditors comply with the independence conditions defined under applicable regulations. To this end, it annually collects their statements of independence, reviews the scope of their relations with the Company and its subsidiaries, reviews their fees and provides an opinion on said fees. It reviews, as the case may be, the risks associated with the Statutory Auditors' independence and the risk management measures in place to mitigate said risks.

2.2.3. The Committee approves outsourced services other than the certification of the financial statements, which can be provided by the Statutory Auditors or members or their network in accordance with applicable regulations. It defines the approval process in compliance with the conditions set forth by the relevant authorities, as the case may be.

2.2.4. The Audit Committee monitors the progress of the Statutory Auditors' assignment. While meeting with the Statutory Auditors, it examines the scope of said Statutory Auditors' assignment, their audit plan and their collaboration with the various the Accounting, Finance and Internal Auditing departments.

It reviews and assesses the Statutory Auditors' results, the content of the reports exposing the results of the financial statements' statutory audit as prepared for the Committee in accordance with applicable regulations, their opinions and recommendations, as well as the course of action taken in response to the latter.

2.2.5. The Audit Committee liaises with the Statutory Auditors on a regular basis. It can, as necessary, meet with said Statutory Auditors in the absence of the Company's representatives, and is required to do so at least once per year.

2.2.6. The Audit Committee ensures the effectiveness of this joint statutory audit.

2.2.7. The Audit Committee also keeps the Board of Directors regularly informed of the results of the financial statements certification assignment, the way in which this assignment contributed to improving the soundness of the financial information, and the role the Committee played throughout this process.

2.3. Monitoring the effectiveness of internal control and risk management systems

2.3.1. The Audit Committee monitors the effectiveness of the internal control and risk management systems, as well as the effectiveness of internal auditing, if applicable, regarding procedures applicable to the preparation and processing of accounting and financial information, while ensuring that its independence is not called into question.

2.3.2. The Committee is responsible for ensuring that the Company and its subsidiaries have well-structured and well-adapted internal audit, accounting, and legal departments able to identify, prevent, assess, manage and control the risks, anomalies, inconsistencies, or any dysfunction that could potentially have an adverse impact on the Company's accounting and financial information and assets.

As such, the Audit Committee makes sure the internal control mechanism overseeing the preparation and treatment of accounting and financial information is functioning properly. Therefore, it oversees the identification, analysis and evolution of risk over time, as well as the actions taken to manage said risk. In that capacity, it studies the reports prepared by management and internal auditors on the effectiveness of the financial control, financial reporting and risk management systems. It ensures that any action plans, as the case may be, are properly implemented.

The Audit Committee also interviews the Chief Executive Officer, the Internal Auditing department, and the Statutory Auditors regarding the existence, reliability, and efficiency of internal control and risk management systems. It ensures that the control systems are based on generally accepted standards (COSO, AMF...).

When applicable, the Statutory Auditors inform the Audit Committee on the nature and significance of any alleged errors detected in the financial statements, and on any notable internal control weaknesses relative to the process for preparing and processing accounting and financial information.

- 2.3.3. Together with the Chief Executive Officer and the Internal Auditing Director, the Audit Committee reviews the functioning methods, terms, and conditions of the Group's Internal Auditing department. It also reviews the structure of its internal auditing: Group and local audits, and the coordination of all audit services.
- 2.3.4. The Audit Committee ensures that the Internal Auditing teams face no restrictions or obstacles in carrying out their duties. It is also informed of any new appointments or replacements relative to the Internal Auditing Department's senior staff.

The Audit Committee assesses the effectiveness of audit systems implemented within the Group, as well as their relevance and the quality of the methods, mechanisms, and procedures they employ. It ensures that the Internal Auditing teams have the necessary quality and the sufficient quantity of resources to perform their duties, and that their internal audit meets applicable independence criteria (particularly concerning their respective hierarchical positions within the Group).

- 2.3.5. The Audit Committee reviews the Group's internal audit plan(s). It participates in the preparation of audit programs and monitors their implementation; it reviews the reports drafted by the auditors and, if applicable, by any consultants or experts, as well as the recommendations made and actions taken by the Board of Directors or the concerned departments' senior executives.

The Audit Committee ensures that the Internal Auditing Department treats risk assessment as an important aspect in its work organisation and planning process.

- 2.3.6. Every year, the Audit Committee reviews the Chairman of the Board of Directors' report on internal control and risk management procedures as well as, if applicable, any corresponding Statutory Auditors' reports.
- 2.3.7. The Audit Committee liaises with the Group's Internal Auditing Director on a regular basis.

2.4. Monitoring legal compliance

- 2.4.1. Senior Management, the Group's Legal Department and the Advisor on Prevention and Security (*Conseiller pour la Prévention et la Sécurité*) keep the Audit Committee informed, on a regular basis, regarding the most significant issues relating to legal and regulatory compliance mechanisms. It is kept abreast of any developments concerning key ongoing disputes and any financial provisions related thereto, as the case may be.

2.4.2. When applicable, the Audit Committee reviews the reports and discussions concerning auditing assignments carried out at the Company or subsidiary level with respect to legal prevention and security.

In addition, the Audit Committee can, if deemed necessary, ask the Group's Legal Department to study any issue relating to the prevention and detection of errors or infractions in the Group's management.

2.5. Prior review of Related Party Agreements

The Audit Committee is responsible for reviewing the agreements and transactions between Casino, Guichard-Perrachon or any of its wholly-owned subsidiaries ("Subsidiary")¹ on the one hand, and a Related Party on the other. The procedure is triggered whenever the individual or aggregate amount of such agreements and/or transactions with the same Related Party exceeds, in a given fiscal year, (i) €10 million per transaction and, beyond the aggregate €10 million threshold, (ii) in €1 million increments for all further transactions.

Related Parties are:

- (i) any company other than the Subsidiaries that is exclusively or jointly-held, whether directly or indirectly;
- (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 concerning, in particular, routine business transactions carried out in the normal course of the Group's business (for example, purchases/sales of goods, leasing of commercial space and franchise or affiliation contracts) or the payment or grant of a security or financial guarantee, unless the payment does not follow the standard operating procedure in place within the Group.

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

2.6. Exceptions superseding the powers of Senior Management

The Committee can be asked to render an opinion on exceptions superseding the powers of Senior Management, as provided for, exceptionally, under the terms of Article 8 of the Board of Directors' Internal Rules. If an exception is granted, the Chief Executive Officer may, after the Audit Committee has rendered its opinion, carry out any transaction in an amount not to exceed 15% of consolidated equity as assessed at the previous fiscal year-end.

¹ "Subsidiary" refers to any company in which Casino SA holds a 100% equity interest, minus the minimum number of shareholders required for certain types of companies, and the number of shares held by Group executives and employees within a 5% limit.

2.7. Audit Committee Reports submitted to the Board of Directors

2.7.1. The Audit Committee submits reports to the Board of Directors:

- . on the Company's consolidated financial statements and related reports, on a semi-annual and annual basis,
- . at the request of the Board or at its own initiative, on any other responsibilities periodically assigned to it,

reports, studies and other investigations it has conducted.

Whenever applicable, the Audit Committee issues an opinion or recommendation to the Board of Directors, based on which the latter can take any actions it deems appropriate, if any. It must also inform the Board as soon as possible regarding any problems it encountered.

2.7.2. The Audit Committee serves as an intermediary between the Board of Directors, the Statutory Auditors of the Company and its subsidiaries, and the Internal Auditing Department.

2.8. Other Responsibilities of the Audit Committee

2.8.1. The Board of Directors can request that the Audit Committee carry out any other assignment in connection with its role as defined in this Charter.

2.8.2. The Audit Committee regularly checks that its duties, as defined in this Charter, are carried out under satisfactory conditions. Periodically, it assesses the adequacy and relevance of this Charter relative to the needs and objectives defined by the Board of Directors together with the Governance Committee.

III. Liability of the Committee's Members

The Audit Committee's members bear no further legal liability in connection with their duties than that borne by the members of the Board of Directors.

IV. Approval of the Audit Committee's Charter

This Charter was approved by the Board of Directors at its meeting dated March 10, 2004, and amended most recently by the Board of Directors at its meeting dated July 28, 2016, once reviewed by both the Governance Committee and the Audit Committee.

The Board of Directors retains the right to modify, complete, or amend this Charter, if necessary, at the request of the Audit Committee, the Governance Committee, or at its own initiative.
