



## CASINO, GUICHARD-PERRACHON

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### BOARD OF DIRECTORS

### INTERNAL RULES

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The Board of Directors has decided to codify and, where appropriate, clarify and supplement, the applicable legal, regulatory and statutory provisions governing its operations.

For this purpose, the Board has established the Board of Directors' internal rules (hereinafter the “Internal Rules”), which can also include all of the principles and recommendations set forth in the Afep-Medef Corporate Governance Code\* (hereinafter the Afep-Medef Code) and the Application Guide published by the *Haut Comité de Gouvernement d’Entreprise*. The Board of Directors is also responsible for taking the necessary steps to enforce the Internal Rules.

As such, these Internal Rules describe, on the one hand, the Board's organisational methods and functioning, the powers and duties of the Board and its Committees and, on the other hand, the code of conduct applicable to the Board's members.

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\* The AFEP-MEDEF Code is the corporate governance code of reference for publicly traded companies. AFEP-MEDEF stands for *Association Française des Entreprises Privées (AFEP)* and *Mouvement des Entreprises de France (MEDEF)* employer and private industry associations. It contains recommendations that promote transparency, responsibility, and oversight in corporate governance. (TN)

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

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

Directors are elected, or their terms of office renewed, for three-year periods. They are eligible to stand for re-election at expiration of their mandate. Every year, one-third of the Board is re-elected.

Candidates for election are first reviewed by the Appointments and Compensation Committee (see sections below entitled "Committees of the Board – Shared Provisions" and "Appointments and Compensation Committee").

Directors must be selected based on their ability, the diversity of their experience, their desire to help develop the Group, as well as the contribution they can make to the Board of Directors' efforts.

If, from one General Shareholders' Meeting to the next, one or more seats on the Board should become vacant due to the death or resignation, the Board of Directors may elect temporary directors. Such appointments shall be subject to the shareholders' approval at the next General Shareholders' 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 grow to more than 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 Shareholders' Meeting held to approve the financial statements for the fiscal 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 is deemed appropriate.

Meetings are called by the Chairman or in the Chairman's name by any person designated by him/her. If the Board has not met in 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 can also ask the Chairman to call a Board meeting to discuss a specific agenda.

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

Directors may choose another director as their proxy to represent them at Board meetings. A 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 can only be represented by one other member. However, a director attending the Board meeting via videoconference or telecommunication, under the conditions set out hereafter, may not act as a proxy for another director.

The above paragraph's provisions also apply to the permanent representatives of a legal entity.

A quorum of at least half the directors is required for the meeting to transact business validly. Decisions are taken by majority vote of the directors present 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, the Chairman of the Board may, on occasion, allow directors to participate in a meeting via videoconference or any other means of telecommunication, if so requested for valid reasons.

Said videoconference or means of telecommunication must, at least, transmit the participant's voice and meet the technical requirements to ensure identification of the director(s) in question to confirm their effective participation in the Board meeting through a continuous live broadcast. It must also be able to guarantee the confidentiality of the proceedings.

As such, the videoconference tool must simultaneously transmit both image and voice and enable the person(s) attending the meeting via such means, as well as the persons physically present at the meeting, to recognize each other.

Telecommunication is the use of a telephone conference system that allows those persons physically present at the meeting and the person(s) attending via teleconference to recognize, beyond any doubt, the voice of each participant.

In case of doubt or poor reception, the Chairman of the meeting may decide to continue the meeting's proceedings without taking into account, in the calculation of the meeting's quorum and majority, a person whose voice can no longer be identified with sufficient security, provided the quorum is still met with the remaining directors present. The Chairman may also decide to remove said director's name of the meeting's attendance register if the videoconferencing or means of telecommunication experience a technical malfunction during the meeting and can no longer ensure the complete confidentiality of the proceedings.

If he/she decides to allow the use of videoconferencing or telecommunication, the Chairman of the Board must first ensure that all members invited to attend via one of these communication means are using the equipment necessary to take part in the meeting effectively and under the proper conditions.

In addition, the minutes of the meeting shall indicate the names of the director(s) attending the meeting via videoconferencing or telecommunication, and mention any technical disruption or incidents that occurred during the meeting.

Directors taking part in Board meetings via videoconferencing or telecommunication are deemed present for the purposes of calculating the quorum and majority, except for the approval of the annual financial statements, the consolidated financial statements, and the management report related thereto.

Furthermore, the Chairman may allow a director to take part in meetings via any other means of telecommunication. In this case, however, the director concerned shall not be deemed present for the purpose of calculating the quorum and majority.

The Board of Directors may also invite non-voting, non-members of the Board to attend its meetings, in a consultative capacity only, including via videoconference or telecommunication.

An attendance register is drawn up and signed by those directors attending the Board meeting.

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

### **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 indicate whether or not videoconference or means of telecommunication were used, and list those directors who participated by those means, and mention any technical incidents that may have occurred during the meeting.

The Chairman of the Board, the Chief Executive Officer, a Deputy Chief Executive Officer, the director temporarily acting as Chairman, the Secretary of the Board, or a duly empowered representative can validly certify copies or excerpts of meeting minutes.

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

The Board of Directors can receive an aggregate amount of annual compensation, in the form of directors' fees, determined by shareholders at the General Shareholders' Meeting.

The total amount of directors' fees thus allocated by shareholders at the General Shareholders' Meeting pursuant to Article 22-I of the Articles of Association, is distributed by the Board of Directors, based on the proposal or recommendation of the Appointments and Compensation Committee, in accordance with the following terms and conditions:

- A fixed amount allocated to each director;
- A variable amount, which must be higher than the fixed amount, based on effective attendance at Board meetings;
- Any member of the Board of Directors can also receive additional directors' fees based on their specific experience or the specific tasks the Board assigns to him/her.

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 mandates entrusted to its members.

Members of the Board of Directors can be reimbursed for any reasonable expenses incurred while performing their duties, insofar as they provide the supporting documents.

Each director, whether a natural person, legal entity or permanent representative, undertakes to hold a number of shares in the Company equivalent to the sum of at least one year's directors' fees, which can be used to buy shares. Shares acquired to meet this requirement must be held in registered form. 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 performs the duties entrusted to it pursuant to the provisions of Article L. 225-35 of the French Commercial Code.

The Board of Directors shall also decide how general executive management authority shall be exercised, either by the Chairman of the Board, or by an individual, who may, but need 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 Company's Articles of Association. To exercise these powers, it has the right to obtain and have disclosed to it information and can rely on the assistance of specialized Board Committees.

It ensures that shareholders and investors receive relevant, balanced, and instructive information on the Company's strategy, development model, and the non-financial challenges it deems significant, as well as on its long-term prospects. It endeavours to promote long term value creation by the Company

#### **A - Powers Vested in the Board of Directors**

In particular, the Board of Directors reviews and approves the annual and interim financial statements of the Company and the Group, as well as the reports on the operations and results of the Company and its subsidiaries. It also approves budgets and forecasts. It deliberates annually on the Company's policy on professional and wage equality in the workplace. Every year, it prepares the report on corporate governance pursuant to Article L.225-37 of the French Commercial Code.

It summons general shareholders' meetings and can, upon delegation, carry out securities issues.

#### **B - Matters requiring the Board of Directors' prior authorization**

In addition to the prior authorizations expressly required by law regarding sureties, collateral, or guarantees in the name of the Company and the related-party agreements subject to Article L. 225-38 of the French Commercial Code, the Board of Directors has decided, as an internal rule, that its prior authorization must be obtained for certain management transactions due to their nature or value, as specified in the paragraph below entitled "Senior Management".

Accordingly, the Board's authorization is required for all transactions that could potentially affect the strategy of the Company and its subsidiaries, their financial structure or scope of business and, in particular, for the execution or termination of commercial agreements that could, potentially, significantly impact the Group's future development, or that individually exceed €500 million in value.

In this respect, the Board has also granted certain annual general delegations of authority, described in the paragraph below entitled "Senior Management".

### **Article 6. Right to Obtain and Receive Information**

The Board of Directors carries out all the verifications and controls it deems necessary and at the times it deems appropriate. The Chairman or Chief Executive Officer is responsible for providing all directors with the documents and information they need to perform their duties.

Prior to each Board meeting, members of the Board of Directors shall receive all the information they require to study the items on the agenda before they are discussed at the meeting, provided such information is available and comprehensive enough.

The Board is kept regularly informed and regularly reviews trends in the Group's business and results, its key risks, such financial, operational, social and environmental risks, its risk management policies, its financial position, its cash position, as well as any significant Company events and transactions. The Chief Executive Officer reports to the Board of Directors on the following 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.

The Board of Directors also reviews the Group's off-balance sheet commitments once every six months.

Board members also receive information on changes in the market, the competitive environment, and key challenges, including information relative to the Company's corporate social and environmental responsibility.

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

Between Board meetings, directors shall be sent all important information concerning the Company and, in particular, any document sent by the Company to its shareholders.

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

The Chairman of the Board organises and chairs Board meetings and reports to shareholders on the Board's work at the General Shareholders' Meeting. He/she is responsible for ensuring that the Company's corporate bodies function correctly and, in particular, that directors are able to perform their duties successfully.

The Chairman is elected for a period that cannot exceed his/her term of office as Director. If, while in office, the Chairman reaches the age limit specified in the Articles of Association, he/she remains in office until the end of his/her current term.

In the event that the Chairman is temporarily unavailable or deceased, the Board of Directors may appoint another director as acting Chairman. In the event that he/she is temporarily unavailable, the acting Chairman is appointed for a set period, which may be renewed. In the case of death, the acting Chairman is appointed until such time as a new Chairman is elected.

#### **Article 8. Senior Management**

Pursuant to the terms of Article L. 225-56 of the French Commercial Code, the Chief Executive Officer has full powers to act in all circumstances in the name of the Company. He/she exercises said powers within the scope of the Company's corporate purpose, subject to the powers specifically vested, by law, in the General Shareholders' Meeting and the Board of Directors. The Chief Executive Officer represents the Company in its dealings with third parties.

However, the Board of Directors has decided, as an internal rule, that the Chief Executive Officer must obtain the Board's prior authorization for the following:

- transactions that could potentially affect the strategy of the Company and its controlled subsidiaries, their financial structure or scope of business, particularly the execution or termination of industrial and commercial agreements that could significantly impact the Group's future development;
- transactions valued individually at over five hundred million Euros (€500,000,000), including but not limited to:
  - investments in securities and immediate or deferred investments in any company or business venture,
  - contributions or exchanges of assets, with or without additional compensation, concerning goods, rights, or securities,
  - acquisitions of real property or real property rights,
  - purchases or sales of receivables, acquisitions or divestments of goodwill or other intangible assets,
  - issues of securities by directly or indirectly controlled companies,

- granting or obtaining loans, borrowings, credit facilities or short-term advances,
- transactions or compromises to settle legal disputes,
- disposals of real property or real property rights,
- full or partial divestments of equity interests,
- constitution of collateral and guarantees.

As an exception to the above rules, the Chief Executive Officer may, on an exceptional basis and after obtaining the opinion of the Audit Committee, carry out any transaction valued at no more than 15% of consolidated equity as measured at the previous year-end. The Chief Executive Officer reports on any such transaction at the next Board meeting.

These provisions apply to transactions carried out directly by the Company and by all entities the Company directly or indirectly controls, except for intragroup transactions.

The Board of Directors may also grant the Chief Executive Officer authority to carry out the following transactions, up to a maximum aggregate limit set on an annual basis by the Board of Directors:

- *Sureties, collateral, and guarantees*

The Chief Executive Officer may grant liens or security interests, collateral, or guarantees to third parties in the Company's name, subject to a maximum annual limit of €1.5 billion and a maximum limit per commitment of €500 million.

- *Loans, confirmed credit lines, short term working capital advance facilities, and all loan and credit agreements*

The Chief Executive Officer may negotiate and/or renew or extend loans, confirmed credit lines and all syndicated and non-syndicated financing agreements subject to a maximum annual limit of €3.5 billion and a maximum limit per transaction of €500 million.

To cover seasonal needs, he/she may also negotiate, implement, roll over and extend short-term advances up to a maximum amount of €1 billion.

- *Issuance of bonds and other debt securities*

The Chief Executive Officer may issue bonds or any debt securities other than commercial paper, under the EMTN program or otherwise, subject to a ceiling of €3.5 billion, determine the terms and conditions of any such issue and carry out all related market transactions.

He/she may also issue commercial paper subject to a ceiling of €2 billion.

- *Repurchase of debt securities*

The Chief Executive Officer shall be authorised to repurchase debt securities issued by the Company in an annual nominal amount of €1 billion and determine the terms and conditions thereof.

- *Sureties and security interests given by Casino concerning all of Casino Finance's commitments*

The Chief Executive Officer may secure the performance of commitments made by Casino Finance in the name of Casino, Guichard-Perrachon and third parties, by any means (grants of security interests, collateral, and guarantees, including first demand guarantees) in respect of:

- bond issues, including those as part of a Euro Medium Term Note (EMTN) programme subject to a maximum amount currently capped at €9 billion, and/or commercial paper, and/or short-term debt securities, as well loans, confirmed credit lines, financings and short term advance facility agreements, within the limit of the same specific caps per transaction and per year as fixed above for annual

authorizations of the aforementioned items;

- amounts due in respect of foreign exchange transactions and derivative instruments associated with an ISDA or FBF\* Master Agreement entered into by Casino Finance, subject to a ceiling of €100 million per bank and within the limit of a total of €1.2 billion.

This authorization is separate from the specific annual authorizations granted above and its use is not included in the per transaction and per year ceilings set for such authorizations.

The Chief Executive Officer may delegate all or some of these powers, except the power to issue bonds or other debt securities. He/she is required to report regularly to the Board of Directors on their use.

These authorizations apply to transactions involving the Company and all entities controlled directly or indirectly by the Company.

The Chief Executive Officer's term of office is set by the Board of Directors at its discretion, but may not exceed three years. If, while in office, the Chief Executive Officer reaches the age limit specified in the Articles of Association, he/she remains in office until the end of his/her current term.

In the event that the Chief Executive Officer is temporarily unavailable, the Board of Directors shall appoint an acting Chief Executive Officer until such time as the Chief Executive Officer is able to resume exercising his/her duties.

Based on the Chief Executive Officer's proposal, the Board of Directors may appoint one or more natural persons in charge of assisting the Chief Executive Officer. Such natural persons are assigned the title of Deputy Chief Executive Officer.

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

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

The Chairman, provided he/she is also Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers may delegate their powers to carry out one or several specific transactions or categories of transaction.

### **III. COMMITTEES**

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

Under the terms of Article 19-III of the Company's Articles of Association, the Board of Directors may establish one or more specialized committees. It is responsible for appointing said committees' members and specifying their respective roles and responsibilities, which said members exercise under its authority. The Board of Directors may not delegate any powers to these Committees that are specifically vested in the Board of Directors either by law or under the Company's Articles of Association. Each committee reports on its work at the next Board meeting.

Each Committee has at least three members, who must be directors, permanent representatives of legal entities or non-voting directors, appointed by the Board. Members are appointed on an entirely personal basis and may not be represented by proxy.

The Board of Directors sets the terms of office of Committee members. Said terms of office can be renewed.

The Board of Directors appoints a Chairman within each Committee for a term of office not to exceed three years, save for any special circumstances.

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\* ISDA – International Swaps and Derivatives Association; FBF – Fédération Bancaire Française (TN)



Each Committee decides how often it will meet and may invite anyone it deems appropriate to attend meetings.

Minutes are prepared after each Committee meeting, unless specifically provided otherwise, under the authority of the Committee Chairman. Such minutes are sent to all Committee members. Once approved by the Committee, they are also available to all Board members. The Committee Chairman reports to the Board of Directors on the Committee's work.

The work carried out by each Committee is described in the Company's annual report and is further detailed in the Board of Directors' report on corporate governance.

The Committees are responsible for making proposals or recommendations and giving their opinion in their specific area of expertise. To this end, they may conduct or commission any research or studies likely to assist the Board of Directors in its decisions.

Committee members are paid specific fees allocated by the Board of Directors based on the recommendation of the Appointments and Compensation Committee.

The Board of Directors currently relies on three committees for assistance: the Audit Committee, the Appointments and Compensation Committee, and the Governance and Social Responsibility Committee.

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

## **Article 10. Audit Committee**

### **10.1. Membership – Organisation**

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. The members are appointed by the Board of Directors from among those members with finance and management experience. Company executives may not be members of the Committee.

The Audit Committee meets at least three times a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Audit Committee is unable to physically attend a meeting, he/she may participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Audit Committee may meet with any person involved in the operational management of the Company and its subsidiaries and, in particular, when members of senior management are not present. It may call upon any outside consultant or expert it deems appropriate to assist in its duties. The Audit Committee may also organise, as often as needed, specific meetings with the Statutory Auditors and executives of the Company and its subsidiaries.

The Committee reports 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.

The Audit Committee has a charter, approved by the Board of Directors, describing its organisation, functioning, expertise and responsibilities.

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

In accordance with the provisions of Article L. 823-19 of the French Commercial Code and under the responsibility of the Board of Directors, the Audit Committee is in charge of monitoring issues that relate to the preparation and auditing of accounting and financial information. Company executives may not be members of the Audit Committee.

#### *10.2.1. Review the accounts and the financial statements*

The Audit Committee is responsible for assisting the Board of Directors in its mission of reviewing and approving the annual and interim financial statements.

As part of its monitoring of the process by which accounting and financial information is prepared, the Audit Committee reviews the Company and the Group's annual and interim financial statements, together with the accompanying reports, before they are approved by the Board of Directors. The Committee ensures that the financial statements are consistent with any other information available to it and assesses the appropriateness of the accounting policies used and their compliance with applicable accounting standards.

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 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.

As part of this process, the Audit Committee holds discussions with the Statutory Auditors, including, if it so wishes, in the absence of the Company's representatives, and reviews their audit reports and conclusions.

#### *10.2.2. Statutory Auditors*

The Audit Committee organises the process of selecting Statutory Auditors and receives information on the selection process implemented by the Group's subsidiaries. As such, the Committee reviews and provides its recommendation on the candidates to be presented for appointment or re-appointment at the General Shareholders' Meeting, which is sent to the Board of Directors and prepared in accordance with applicable regulations.

The Audit Committee ensures that the Statutory Auditors, with which it liaises on a regular basis, comply with the independence conditions defined under applicable regulations. In particular, it reviews the scope of relations between the Statutory Auditors and the Company and its subsidiaries and provides an opinion on their fees.

The Audit Committee approves outsourced services other than the certification of the financial statements, which may 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.

It monitors the progress of the Statutory Auditors' assignment.

The Audit Committee keeps the Board of Directors regularly informed of the results of the financial statements certification 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.

#### *10.2.3. 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, as well as the effectiveness of internal auditing, if applicable, regarding procedures applicable to the preparation and processing accounting and financial information, without its independence being called into question. It examines the Company's exposure to financial and non-financial risks. With 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 systems, and more generally the audit, accounting and management procedures of the Company and the Group, through discussions with the Chief Executive Officer, internal audit teams, and the Statutory Auditors.

The Committee shall also be responsible for looking into any facts or events that may have a significant impact on the position of Casino, Guichard-Perrachon or its subsidiaries in terms of commitments and/or risks. It ensures that the Company and its subsidiaries have the internal audit, accounting and legal teams necessary to anticipate and protect against risks and any anomalies in the management of the Group's business.

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

The Board of Directors of Casino, Guichard-Perrachon has introduced a specific internal procedure that calls for the Audit Committee's prior review of agreements and 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. The procedure is triggered whenever the maximum individual or aggregate amount of such agreements and/or transactions exceeds (i) €10 million per transaction and, beyond the aggregate €10 million threshold, (ii) in €1 million increments for all further transactions with the same related party during the fiscal year.

Related parties include:

- (i) any company that is exclusively or jointly controlled, whether directly or indirectly, excluding 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 that concern, in particular, routine flows in the normal course of the Group's business (for example, purchases/sales of goods, leasing of commercial space and franchise or affiliation agreements) or the issue of a guarantee or a payment for a guarantee unless the remuneration is not compliant with standard operating procedure within the Group.

The procedure for the prior review of related-party agreements is governed by a specific charter that was prepared by the Audit Committee and approved by the Board of Directors.

The Committee also expresses its opinion on exceptions to the restrictions on the Chief Executive Officer's powers, as applicable, under exceptional circumstances, 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 year-end.

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

## **Article 11. Appointments and Compensation Committee**

### **11.1. Membership – Organisation**

The Appointments and Compensation Committee has at least three members, the majority of whom are independent within the meaning of the criteria set out in the AFEP-MEDEF Code. The Committee's members are appointed by the Board of Directors. Company executives may not be members of the Appointments and Compensation Committee. Nevertheless, the Chairman of the

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<sup>1</sup> "Subsidiary" refers to any company in which Casino, Guichard-Perrachon owns 100% of the shares, 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.

Board of Directors participates in the process of selecting new directors.

The Appointments and Compensation Committee meets at least twice a year at the initiative of its Chairman, who may also arrange additional meetings as required. If a member of the Committee is unable to physically attend a meeting, he/she may participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

In association with the Chief Executive Officer, the Appointments and Compensation Committee works closely with 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.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Appointments and Compensation Committee reports 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.

## **11.2. Role and Duties of the Appointments and Compensation Committee**

### *11.2.1. Compensation*

The Committee is responsible for:

- preparing discussions concerning the compensation of the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers, and proposing qualitative and/or quantitative criteria for determining any variable component to said compensation, including one or several criteria associated with corporate social and environmental responsibility;
- assessing all other benefits or entitlements granted to the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers;
- submitting proposals and formulating opinions on attendance fees and any other compensation or benefits to be paid to the directors and non-voting directors;
- reviewing proposals for stock option plans and/or free share plans to be offered to the Group's employees and executives 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 said grant.

### *11.2.2. Appointment duties*

The Committee is responsible for:

- reviewing the composition of the Board of Directors;
- carrying out the process of selecting new directors or renewing the terms of current directors, and reviewing potential candidates based on the criteria and guidelines set by the Governance and Social Responsibility Committee;
- suggesting names of candidates to be appointed as members of the Board's specialized Committees;
- reviewing potential candidates' nominations for the position of Chief Executive Officer and, where applicable, Deputy Chief Executive Officer;
- obtaining all useful information concerning 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 retained 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 Governance and Social Responsibility Committee members, based on the Chairman and Chief Executive Officer's proposal.

## **Article 12. Governance and Social Responsibility Committee**

### **12.1. Membership – Organisation**

The Governance and Social Responsibility Committee has at least three members appointed by the Board of Directors from among its members, and at least two-thirds of whom are independent within the meaning of the criteria set out in the AFEP-MEDEF Code. Company executives may not be members of the Governance Committee.

The Committee meets at least twice a year at the initiative of its Chairman, who may also arrange any additional meetings as required. If a member of the Committee is unable to physically attend a meeting, they can participate via any means of telecommunication. The Chairman or any delegated member of the Committee draws up an agenda and sends it to each Committee member before the meeting.

The Committee may call upon any outside consultant or expert it deems appropriate to assist in its duties.

The Governance and Social Responsibility Committee reports 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 Governance and Social Responsibility Committee**

#### *12.2.1. Corporate governance*

The Committee is responsible for:

- preparing and updating the Internal Rules of Board of Directors and the charters of its specialized Committees, the charter on related-party agreements, and any other charter in effect;
- reviewing changes in corporate governance guidelines (particularly within the framework of the AFEP-MEDEF Code) and identifying emerging practices and significant developments in corporate governance-related regulations and/or practices, both in France and abroad;
- leading discussions and formulating recommendations for the Board of Directors on best practices in the area of corporate governance and, where applicable, on actions to be taken;
- monitoring the corporate governance-related practices implemented by the Group's subsidiaries and ensuring that they are consistent with those in effect within the Company. When necessary, the Committee makes recommendations;
- preparing information for the Board of Directors' review of corporate governance-related issues;
- annually reviewing the draft report on corporate governance and making any comments before it is submitted to the Board of Directors for approval.

#### *12.2.2. Directors' conduct*

The Governance and Social Responsibility Committee is called upon to:

- handle ethical issues relating to the directors. It discusses ethical issues that the Board of

Directors or the Chairman of the Board of Directors may submit for review or that it independently chooses to discuss.

The Governance and Social Responsibility Committee ensures the implementation of a Directors' Code of Conduct and updates it when necessary;

- ensure compliance with and the proper application of ethical rules, particularly those contained in the Directors' Code of Conduct.

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

Within the framework of corporate governance principles, the Governance Committee is responsible for determining the terms and conditions of and conducting the assessment of the Board of Directors' organisation and functioning.

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

The Governance and Social Responsibility Committee periodically reviews the structure, size and membership of the Board of Directors and the Committees of the Board, and informs the Board of its recommendations regarding any proposed changes.

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

The Governance and Social Responsibility Committee, in light of the Group's strategy, shall review the Group's, commitments, and policies in the area of ethics and social, environmental, and societal responsibility, application and implementation of such policies and the results thereof and shall express or make any opinion or recommendation to the Board of Directors.

Together with the Audit Committee, it shall ensure that there are systems for identifying and managing the principal risks relating to such subjects and compliance with applicable law and regulations.

The Governance and Social Responsibility Committee shall review reporting procedures relating to non-financial information and key non-financial performance indicators used and analyse the Group's participation in non-financial indices.

The Governance and Social Responsibility Committee shall review the information annually disclosed in the Management Report in respect of non-financial information under and pursuant to applicable legal requirements and provide its comments and observations prior to approval thereof by the Board of Directors.

The Governance and Social Responsibility Committee shall also review the gender balance and professional equality policy in preparation for the annual discussion of this matter by the Board of Directors, as provided in Article L.225-37-1 of the French Commercial Code.

#### *12.2.6. Management of conflicts of interest*

The Governance and Social Responsibility Committee may examine any exceptional issue that may give rise to a conflict of interest within the Board of Directors and shall express any opinion or make any recommendation it may have on the matter.

#### **IV. LEAD DIRECTOR**

##### **Article 13. Lead Director**

The Lead Director is appointed from among the independent members of the Governance and Social Responsibility 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 and Chief Executive Officer does not have an adverse impact on the Board's functioning, such as information provided to directors, the inclusion of items on the agenda of Board meetings and the organisation of Board discussions and votes.

The Lead Director may, if necessary, consult with the Governance and Social Responsibility Committee at any time about any potentially problematic issues.

The Lead Director can attend Committee meetings of which he/she 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 Social Responsibility Committee on the conditions under which the respective roles of Chairman of the Board and Chief Executive Officer are exercised.

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

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

##### **Article 14. Non-Voting Directors**

The Ordinary Shareholders' Meeting may appoint non-voting directors, either natural persons or legal entities, from among the shareholders. The Board of Directors may elect a non-voting director subject to ratification at the next General Shareholders' Meeting.

The number of non-voting directors may not exceed five. They are elected for a term of three years and may be re-elected.

A non-voting director reaching the age of 80 while in office is required to stand down at the Ordinary Shareholders' Meeting held to approve the financial statements for the year in which this age limit was reached.

Non-voting directors attend Board meetings and participate in discussions in a consultative capacity only.

They may receive compensation, the total aggregate amount of which is determined by the Ordinary Shareholders' Meeting. This amount is maintained until a change is decided at a future shareholders' meeting. The Board of Directors allocates this compensation to the non-voting directors at its own discretion.

#### **VI. DIRECTORS' CODE OF CONDUCT**

##### **Article 15. Principles**

The Company's directors must be able to exercise their duties in compliance with the rules of independence, business ethics and integrity.

In line with good corporate governance practices, directors exercise their duties in good faith in the manner they consider most appropriate to promote the interests of the Company and with the care

that would be expected of a normally prudent person under such circumstances.

The directors undertake to maintain their freedom of analysis, judgement, decision and action at all times, and to withstand any direct or indirect pressure that may be exerted on them.

#### **Article 16. Duty of Information**

Before accepting office, directors must review the laws and regulatory requirements applicable to their position, the applicable Codes and proper corporate governance practices, as well as any provisions specific to the Company and specified in its Articles of Association and in these Internal Rules.

Directors must request the information they deem necessary for the successful performance of their responsibilities. To this end, they must request from the Chairman, within the appropriate time frame, all information necessary to ensure their informed participation in the discussions on the matters featured on the Board meeting's agenda.

If he/she deems it necessary, each Director can receive additional training to become better acquainted with the Group's specificities, its activities and business sectors, the issues facing the Group with regard to social and environmental responsibility and with its accounting and financial characteristics. Directors representing employees receive training adapted to the exercise of their mandate.

#### **Article 17. 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 director is bound by a duty of loyalty to the Company. He/she shall take no action that could adversely affect the interests of the Company or the Group's companies.

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

Each director must alert the Board regarding any actual or potential conflict of interest in which they might be directly or indirectly involved. In this case, he/she must abstain from voting on the matters in question.

Each director must consult with the Chairman prior to undertaking any assignment or accepting any function or duties that could, even potentially, result in a conflict of interests for the director in question. The Chairman can consult with the Governance and Social Responsibility Committee or the Board of Directors regarding such matters.

#### **Article 18. Control and Assessment of the Board of Directors' Functioning**

Directors must pay careful attention to the powers and responsibilities respectively assigned to the Company's corporate bodies, as well as their exercise by said corporate bodies.

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

The Board of Directors discusses its functioning once per year.

The Board of Directors also routinely conducts an assessment of its own functioning. The Chairman of the Board of Directors calls upon the Governance and Social Responsibility Committee to conduct such assessment.

Independent directors meet at least once per year to discuss any matter in the absence of the Chairman of the Board of Directors and members of senior management. These meetings are chaired by the



Lead Director.

#### **Article 19. Presence of Directors – Aggregation of Offices**

Each director must comply with legal provisions in force governing the aggregation of offices, as well as with the AFEP-MEDEF Code's recommendations.

Each director must disclose to the Company any and all offices he/she holds in other French or foreign companies. He/she informs 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 director must devote the appropriate amount of time and attention to their duties. They must make every effort to attend all Board meetings, General Shareholders' Meetings, and the meetings of any Committees on which they serve.

#### **Article 20. 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 a 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.

#### **Article 21. Shareholding - Dealing in the Company's shares**

All of the Company's shares held by a director, his/her unemancipated minor children, or his/her spouse (provided they are not separated), must be registered shares. Directors must 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 Director is required to inform the AMF and the Company regarding the transactions he/she 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. Directors must 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 must, 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 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 director must also refrain from completing any transaction on his/her 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. Its most recent update was approved on 30 March 2019.

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