



**SOITEC**

French joint-stock corporation (*Société Anonyme*)  
with a share capital of 71,424,604 Euros  
Registered office: Parc Technologique des Fontaines  
Chemin des Franques  
38190 Bernin  
384 711 909 Grenoble Commercial Register

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**INTERNAL REGULATION OF THE  
BOARD OF DIRECTORS**

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**(Adopted by the Board of Directors on November 15, 2023)**

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## **Preamble**

This internal regulation sets forth the methods of organization and operation of the Board of Directors of SOITEC (hereinafter the “**Company**”) and is intended to complement the statutory and regulatory provisions currently in force as well as the Company's by-laws.

This internal regulation of the Board of Directors is not part of the by-laws of the Company. It is not enforceable against third parties, nor may it be invoked by shareholders or third parties against the Directors, the Company, or any company of the SOITEC group (hereinafter the “**Group**”).

This internal regulation shall be binding on each member of the Board of Directors (hereinafter a “**Director**”) upon their appointment, whether a person or a company director (including each permanent representative of a member of the Board of Directors). The representative(s) of the Social and Economic Committee or the entity acting in its stead, and more generally any person participating in, or attending, the meetings of the Board of Directors on a one-time basis or permanently shall be bound by the confidential and insider trading obligations provided respectively in article 4f) and 4g) of this internal regulation.

The Board of Directors has adopted the Corporate Governance Code for listed companies published by the AFEP (*Association Française des Entreprises Privées*, the French Association of Private Companies) and the MEDEF (*Mouvement des Entreprises de France*, the French Business Confederation) as updated in December 2022 (hereinafter the “**Corporate Governance Code**”) as its reference framework for corporate governance.

## **ARTICLE 1 - General Rules**

### *a) Composition*

The Company shall be administered by a Board of Directors made up of at least three (3) members and no more than eighteen (18), subject to the exemption provided by law in the event of a merger, pursuant to article L. 225-95 of the French Commercial Code.

The Directors shall be appointed or renewed in their positions by the Ordinary General Meeting, which may revoke them at any time.

However, in the event of a merger or demerger, the Directors may be appointed by an Extraordinary General Meeting.

To the extent permitted by law, Directors representing employees are appointed in accordance with the provisions of article 12.5 of the Company’s by-laws.

The Company shall implement a policy of diversity in the composition of the Board of Directors with regard to criteria such as the representation of women and men, nationality, age or professional qualifications and experience. The Board of Directors shall publish, in the Company’s corporate governance report, a description of the diversity policy applied to the Directors, as well as a description of the objectives of this policy, its implementation and the results obtained during the past fiscal year.

The Board of Directors shall endeavor to propose the appointment, by the shareholders, of members with industrial and/or accounting and financial expertise and whose profiles and skills meet the Company's needs, the regulatory requirements, and, insofar as possible, the recommendations of the Corporate Governance Code.

In the case of Directors who are companies (the “**Company Directors**”), the Company Director must request prior agreement of the Board to its proposed permanent representative, agreement which the Board will not unduly refuse.

Regardless of personal qualities or abilities, each Director should act in the corporate interest of the Company; failure to do so may give rise to personal liability.

In any event, the interests of minority shareholders shall be taken into account through the appointment of a sufficient number of independent members.

The Board of Directors shall use its best efforts to ensure that, for as long as the Company is not controlled, at least half (1/2), and, if the Company becomes controlled, at least one-third (1/3), of the Directors are independent, within the meaning of article 10 of the Corporate Governance Code, it being specified that Directors representing employees and, as the case may be, the shareholders employees, shall not be taken into account in determining this ratio.

The criteria of independence of the Directors shall be set by the Board of Directors taking into account an analysis based on the definition and criteria of independence of article 10 of the Corporate Governance Code and on best practices.

Each year, prior to the Ordinary General Meeting called to approve the financial statements, the Board of Directors shall perform an evaluation of the independence of the Directors, on the basis of the recommendations of the Environmental, Social and Governance (ESG) Committee, in coordination with the Compensation and Nominations Committee, in compliance with the recommendations of the Corporate Governance Code.

The Board of Directors shall examine on a case-by-case basis the qualifications of each one of its members, taking into consideration the criteria that it will have selected, the special circumstances and the situation of the interested member.

The conclusions of the evaluation of the independence of its members shall be recorded in the minutes of the meeting of the Board of Directors and shall be brought to the attention of the shareholders in the Company's corporate governance report.

At the time of each appointment/renewal of a Director, the key moments in the career of the candidate as well as the conclusions of the Board of Directors as to his or her independence shall be made available to the General Meeting called to approve his or her appointment/renewal.

*b) Age Limit – Term of Office*

No one may be appointed Director if he or she is over the age of seventy (70) and his or her

appointment would increase the number of Directors above this age to more than one-third (1/3) of the members of the Board of Directors. The number of Directors over seventy (70) years of age may not exceed one-third (1/3) of the members of the Board of Directors. If said limit is reached, the oldest Director shall be considered to have resigned.

Moreover, the age limit for being a Director is set at seventy-five (75) years old. Any Director who reaches this age limit shall be automatically deemed to have resigned. However, the Board may elect to ask the Shareholders through an Extraordinary General Meeting for an exception to the by-laws and for the Director to remain until the end of his or her term or for another term.

Pursuant to article 12.2 of the by-laws of the Company, the term of office of the Directors shall be three (3) years. The duties of the Directors shall expire at the conclusion of the General Meeting that rules on the financial statements of the past fiscal year and held in the year during which their term of office expires. The Directors may always be re-elected.

The Board of Directors shall endeavor to organize a staggering of the term of office of the Directors in order to avoid a mass renewal of all of the terms of office.

*c) Vacancies – Co-optation*

The Board of Directors may make appointments on a provisional basis in the cases and under the conditions provided for by law.

*d) Shares of Directors*

Pursuant to article 13 of the by-laws of the Company, Directors are not required to hold shares of the Company.

Nonetheless, in order to comply with article 24 of the Corporate Governance Code, in the absence of legal provisions to the contrary, the Directors (individual Directors as well as permanent representatives of Company Directors) should ensure that they are personally a shareholder of the Company and that they hold a minimum number of shares that is significant in relation to the Directors' fees awarded. This obligation does not apply to permanent representatives appointed by Company Directors which are institutional investors, to Directors representing institutional investors and to Directors representing employees.

The possession of one hundred (100) shares in registered form shall be considered a significant number of shares.

## **ARTICLE 2 - Meetings and Deliberations**

*a) Officers of the Board of Directors*

### **Chair of the Board of Directors**

The Board of Directors shall elect a Chair from among its individual members and shall set the duration of his or her term of office, which may not exceed the duration of his or her term of office as a Director.

The Board of Directors may also appoint a referent director (“**Referent Director**”) whose duties and powers are specified herein.

The Chair of the Board of Directors may not be over the age of seventy (70). If he or she should exceed this age limit, he or she shall be automatically deemed to have resigned. However, the Board may elect to ask the Chair to remain until the end of his or her term or for another term, subject to prior approval by a General Meeting.

The Chair of the Board of Directors represents the Board of Directors. He or she is in charge of convening the Board of Directors meetings, set the agenda and organizes and supervises its works which he or she presents to the General Meeting. He or she ensures that the Board of Directors and the Committees of the Board of Directors operate in good conditions and verifies, in particular, that the Directors are in a position to accomplish their mission.

The Chair of the Board of Directors helps to promote the Company's values and culture. He or she uses his or her best efforts to promote the Group's actions, in particular in the areas of environmental, social and governance responsibility (ESG).

The Chair of the Board of Directors, taking into account and responding to any recommendations made by the Referent Director, shall ensure that the principles of good governance are duly implemented.

If the functions of Chair and Chief Executive Officer are separated, the Chair of the Board of Directors shall ensure that a relationship of trust is maintained and developed between the Board and General Management in order to guarantee that General Management implements the guidelines defined by the Board of Directors.

The Chair shall be informed in advance by the Chief Executive Officer on all significant matters and events of interest to the Company, in particular those relating to the Company's strategy, operation and organization, proposed acquisitions or disposals and major financial transactions. In this capacity, he or she may request from the Chief Executive Officer any information or document likely to inform the Board of Directors and its permanent Committees.

The Chair of the Board of Directors, for the Directors, or the Referent Director, for the Chair, shall prevent situations of real or potential conflict of interests from arising. The Chair or the Referent Director or any Director shall bring to the attention of the Board of Directors any real or potential situation of conflict of interests involving Directors.

In consultation and pre coordination with the Chief Executive Officer, the Chair may represent the Company in its high-level relations, both nationally and internationally, in particular with public authorities, institutions, regulators, shareholders (in relation to Corporate Governance) and the Company's strategic stakeholders.

If the Chair is absent or unable to carry out his or her duties, at each meeting the Board of Directors shall appoint one of its members in attendance to chair the meeting. In the event of a tied vote regarding said appointment, the eldest candidate shall be appointed.

## **Board Secretary**

The Board of Directors appoints, on the proposal of the Chair of the Board of Directors, a Board Secretary, who may be chosen either from among the Directors or from outside the Board of Directors. If the Board Secretary is not a member of the Board of Directors, he or she shall be subject to the confidentiality obligations set forth in article 4 f) below.

The Board Secretary shall remain in office for a period of time determined by the Board of Directors. He or she may be replaced by a simple decision of the Board of Directors.

In case the Board Secretary is absent or unable to carry out his or her duties during a meeting of the Board of Directors, the Board of Directors shall appoint one of its members in attendance or a third-party to replace him/her.

### *b) Frequency of Meetings*

The Board of Directors shall meet as often as the interest of the Company requires, at the request of the Chair and at least four (4) times per year.

The Referent Director, the Chief Executive Officer or at least half of the members of the Board of Directors may also request that the Chair convene the Board of Directors, with an agenda defined in said request.

Furthermore, when it has not met for more than two (2) months, at least one-third (1/3) of the members of the Board of Directors may ask the Chair to convene the Board of Directors on an agenda determined by said Directors.

In these last two (2) cases, the Chair is bound by the requests that are addressed to him or her and must convene the Board of Directors in compliance with the defined agenda. In case the Chair does not convene a meeting of the Board of Directors as requested, the Referent Director may do so.

Except for an established urgency, the convening must be made in writing, by all means including email, at least eight (8) days before the date of the meeting, or with a shorter lead time enabling proper reaction by the Board of Directors to an urgency requirement. The convening must be accompanied with the agenda of the meeting and all the documents prepared for the purposes of the meeting (except for a logistical impossibility). An update of the documents sent is communicated as need be to the Directors after the convening and before the meeting of the Board of Directors. However, when all the Directors are present or represented (including by way of participation or representation during phone or audiovisual calls) during a meeting, it can intervene without prior convening notice.

The meetings shall be held either at the registered office or at any other place specified in the notice, including abroad.

If the notices so stipulate, the meetings may be held by videoconference or conference call or by electronic means of telecommunication or teletransmission subject to the reservations and under the conditions set by the laws or regulations in force.



c) Attendance, Quorum and Majority

An attendance book shall be kept and signed by the Directors participating in the meeting of the Board of Directors. This attendance book shall indicate the names of the Directors who participated in the meeting by videoconference, conference call or by electronic means of telecommunication or teletransmission.

For resolutions to be valid, at least half of the Directors must be physically present. However, the Directors attending the meeting by videoconference, conference call or any other means allowing their identification and their effective participation shall be considered to be present for the purposes of calculating the quorum and the majority in compliance with the statutory and regulatory provisions currently in force.

A Director may appoint another Director to represent him or her, even by letter. Each Director may only have one (1) proxy per meeting. The proxies, given by letters, or possibly by telex, telegram or by a confirmed email shall be appended to the attendance book.

Decisions shall be taken by a majority vote of the members who are present or represented. The Chair of the meeting shall not have the casting vote.

d) Minutes

The working language for meetings of the Board of Directors shall be English.

The deliberations of the Board of Directors shall be recorded in minutes drawn up in accordance with the legal provisions in force, and signed by the Chair of the meeting and a (1) Director or, if the Chair of the meeting were unable to fulfill his or her duties, by two (2) Directors, and the omission of this formality shall not result in the nullity of the decisions made.

The minutes of the meeting shall specify the name of the Directors who were present or deemed to be present pursuant to article L. 225-37 of the French Commercial Code, excused or absent. It shall note the presence or the absence of the persons called to the meeting of the Board of Directors in accordance with a legal provision and the presence of any other person who attended all or part of the meeting.

The meeting minutes shall summarize the debates, the issues raised, the positions given or the reservations expressed. They shall state the resolutions that have been put to the vote and the results of the voting.

The minutes shall also include the occurrence of any technical problem concerning a videoconference or conference call when it has disrupted a meeting.

The minutes of the Board of Directors meeting and of the Committees respectively are drawn up by the Secretary of the Board of Directors under the authority of the Chair of the Board of Directors, or of the Chairpersons of the Committees respectively, and sent to the Directors or Committee members respectively, within seven (7) days after such meeting.

The copies or extracts of minutes of the deliberations shall be validly certified by the Chair of the Board of Directors, or by the Committee Chairpersons in the case of Committee minutes, the Secretary of the Board, or by a Director if he or she has been temporarily authorized to perform the duties of Chair, or a proxy authorized for said purpose.

The minutes of the meetings of the Board of Directors shall be drafted in English, with a simultaneous translation into French for the purpose of archiving and fulfilling legal formalities, as the case may be.

In the event of a discrepancy between the English version and the French translation, the English version shall prevail.

*e) Closed Sessions*

At the end of each meeting of the Board of Directors or of the Committees, or at any time deemed appropriate, and at least once (1) a year, restrictive meeting(s) of the Board of Directors shall be held without the presence of the Directors belonging to the General Management or any potentially conflicted Directors depending on the subject of such meeting (“**Closed Sessions**”).

These Closed Sessions may in particular be held in order to discuss performance, remuneration, succession plan or real or potential situations of conflict of interests of the Directors belonging to the General Management. They may also be held in order to discuss any specific issue, as well as the internal functioning of the Board of Directors.

Closed Sessions shall be convened by the Chair of the Board of Directors or the Chair of the Committees, who sets the agenda. They may be convened by the Referent Director in relation to issues of conflict of interest relating to the Chair. Subjects discussed in Closed Sessions may be recorded or not in minutes. If the minutes are written, then they will be circulated to the participants or to the Board of Directors in its collegial formation, as decided by the participants in the Closed Sessions.

As Closed Sessions have no decision-making or deliberative powers, no action or formal decision falling within the competence of the Board of Directors may be taken during these meetings.

Any matter discussed in the Closed Sessions falling within the competence of the Board of Directors and requiring action may be brought to its attention and, as the case may be, included on the agenda of its next collegial meeting and be subject of a formal decision.

*f) Board of Directors Resources*

In order to carry out its work (or its Committees’ work), the Board of Directors may use external experts or advisors and request external studies, at the Company’s expense. The Board of Directors must ensure the objectivity of the external experts requested.

The Board of Directors shall be provided with an autonomous budget allocated on an annual basis by a decision of the Board for the sole purpose of requesting external experts or advisors, which shall be used by the Board of Directors at its sole discretion.

Within the framework of the allocation of this autonomous budget, the Chair of the Committee intending to recruit such external experts or advisors will inform the Chair of the Board of Directors, for approval and shall determine the reasonable fees and the acceptable terms and conditions in accordance with industry standards.

g) Information and Training of Directors

Subject to real or potential situations of conflict of interests, documents and information enabling the Directors to make an informed decision with full knowledge of the facts about the items on the agenda of the meeting of the Board of Directors shall be communicated by the Chair of the Board of Directors or the Chief Executive Officer in a timely fashion, prior to the meeting, except when the respect of confidentiality or physical obstacles make that impossible.

Each Director may and must ask to be sent the documents that he or she considers essential to the exercise of his or her duties. The Director shall send his or her requests for additional information to the Chair of the Board of Directors, who shall evaluate the essential nature of the documents requested and who shall grant any such request.

Outside of meetings of the Board of Directors, if the importance or the urgency of information so requires, the Directors shall also receive any information that is relevant to the exercise of their duties. In particular, they shall be sent articles in the press and financial analysis reports containing relevant information about the Company.

The Directors may meet with the main managers of the Group, including without the presence of the Chief Executive Officer on the condition that the Chair of the Board of Directors and the Chief Executive Officer have been informed in advance. It being specified that:

- in the event of emergency or justified situation, the Chair of the Board of Directors and the Chief Executive Officer may be informed afterwards;
- in the event of a real or potential situation of conflict of interests with the Chief Executive Officer and the need for the Board of Directors to obtain information necessary for the accomplishment of its missions, the Chief Executive Officer may not be informed;
- it shall not be necessary to inform the Chair of the Board of Directors and the Chief Executive Officer when the relevant corporate officers are members of the Executive Committee who are in regular contact with the Board of Directors (in particular the Chief Financial Officer, the General Secretary, and the Chief Human Resources).

Each Director may, if he or she considers it necessary, receive additional training regarding the Company, its business areas and its business sector and its social and environmental responsibility issues.

Directors representing employees shall receive appropriate training to enable them to perform their duties in accordance with regulations in force.

The abovementioned provisions are subject to the provisions of the Articles 4 d) and 4 f) of the present internal regulation.

### **ARTICLE 3 – Powers**

#### ***a) Powers Specific to the Board of Directors***

The Board of Directors shall fulfil its duties in accordance with legal, statutory, and regulatory provisions.

The Board of Directors shall notably determine the governance and strategic guidelines for the Company's activities and ensure their implementation.

In particular, the Board of Directors shall determine and regularly review the strategy of the Group and ensure that this strategy is implemented by the General Management.

The Board of Directors shall examine, in relation to the strategy it has defined, opportunities and risks such as financial, legal, operational, social, and environmental risks and the measures taken in consequence.

The Board of Directors shall oversee Management's financial disclosure policy and actual disclosures, in particular the quality of the information supplied to the shareholders and to the markets, through financial statements or in relation to major transactions.

Subject to the powers expressly attributed to the Meetings of Shareholders and within the limit of the Company's corporate purpose, it shall consider any issue affecting the smooth functioning of the Company and shall resolve the matters relating to it.

The Board of Directors shall determine the method of exercise of the General Management (joint or separate functions of Chair of the Board of Directors and Chief Executive Officer) at the time of the appointment, renewal of the term of office of the Chair of the Board of Directors or the Chief Executive Officer. The shareholders and the third parties are informed of the choice under the conditions defined by the law. The chosen option remains in force until a contrary decision has been made under the same conditions.

The Board of Directors shall examine the regulated agreements addressed by article L.225- 38 of the French Commercial Code.

The Board of Directors shall also conduct the audits and verifications that it considers appropriate.

#### ***b) General Management***

The Company's General Management shall be assumed, under his or her responsibility, either by the Chair of the Board of Directors (who, in such case, will be Chair and Chief Executive Officer), or by another natural person, who may but need not be a Director, appointed by the Board of Directors under the title of Chief Executive Officer (*Directeur Général*).

Subject to the powers that the law expressly grants to the General Meetings and the powers that it expressly reserves to the Board of Directors and to the Chair of the Board of Directors as well as the limitations set out in Article 3 c) of the present internal regulation, the Chief Executive Officer

shall be vested, within the limit of the Company's corporate purpose, with the broadest powers to act under any circumstances on behalf of the Company.

Decisions of the Board of Directors that limit the powers of the Chief Executive Officer shall be unenforceable against third parties.

On the proposal of the Chief Executive Officer, the Board of Directors may appoint one or several individuals, provided that it does not appoint more than five (5), to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer (*Directeur Général Délégué*).

The Deputy Chief Executive Officers are responsible for assisting the Chief Executive Officer, to whom they shall report their management activity. With regard to third parties, they shall have the same powers as the Chief Executive Officer.

The Chief Executive Officer or each of the Deputy Chief Executive Officers shall be authorized to grant sub-delegations or substitutions of powers for one or more transactions or categories of specific transactions.

c) *Exercise of Powers by the Chair and Chief Executive Officer, the Chief Executive Officer and/or, as the case may be, the Deputy Chief Executives Officers*

Matters for which prior approval by the Board of Directors is required are stipulated in this section. When possible or necessary, Management shall produce early directional information, progress reports and proposals in due time and in any event before such information becomes or risks to become a company business direction commitment or disclosure.

## **I. Strategy, Business Plans and Operating Budget**

- 1) Management will review annually with the Board the Company's strategy, business plan including organization, human capital and ESG plans, operating budget, industrial footprint, R&D plans and outstanding customer and supplier backlog and commitments. The annual budget and long-term business plans shall be submitted to the Board for approval.
- 2) Substantial modifications or deviations of an existing and approved strategy, business plan, or operating budget or substantial deviation of actual performance to operating budget and/or forecast will also be reviewed with the Board of Directors.
- 3) Management will make periodic reports to the Board of Directors comparing operating results to the budget, in a dashboard listing the fundamental parameters of the budget.

## **II. Capital Expenditures**

- 1) Management will submit a capital expenditure budget for the Company annually for the Board of Directors' consideration and approval.
  - a) The capital budget will itemize and describe anticipated capital expenditures for assets and capital projects for lifetime cost that exceed US\$ 30 million.
  - b) The capital budget will contain an aggregate total for all capital expenditures.
- 2) The Board of Directors' approval of the capital budget will represent approval of the nature of

the Capex line items and of the aggregate total capital spending, plus/minus 10%.

- 3) Each individual capital expenditure over US\$ 30 million which was not itemized in the Board of Directors' approved capital budget requires the Board of Directors' approval.

### **III. Transactions**

- 1) Management will submit to the Board of Directors for prior consideration and approval all M&A transactions beyond agreed strategy scope, or above US\$ 10 million.
- 2) Management will submit to the Board of Directors for prior consideration and approval acquisitions of equity interests and joint ventures involving one or more of the following:
  - a) payment with stock of the Company;
  - b) the Company's contribution of cash, assets, or assumption of debt, in any combination, exceeding US\$ 10 million, inclusive of purchase price and potential earn-outs or deferred payments to the owners;
- 3) Management will inform the Board of Directors prior to closing any acquisitions of equity interests and joint ventures below US\$ 10 million, in particular for adjacent or diversification or integration types of businesses, considering the Company's then existing businesses.

### **IV. Debt and Leases**

Management will submit to the Board of Directors, for prior consideration and approval, the following items:

- 1) All borrowings greater than US\$ 60 million collectively per year, except borrowings authorized by previously adopted specific or standing resolutions or borrowings made against previously approved existing lines of credit;
- 2) Sale and leaseback transactions with a value of more than US\$ 60 million collectively per year; and
- 3) Capital or operating leases for which the capitalized or net present value of the obligation is more than US\$ 60 million collectively, and the underlying commitment on land, building or equipment which triggers the obligation exceeding US\$ 60 million shall also be subject to prior approval.

### **V. Sales of Assets; IP Licenses**

Management will submit to the Board of Directors for prior consideration and approval:

- 1) sales of capital assets when the book value of the assets or the net proceeds of the sale exceed US\$ 10 million collectively per year;
- 2) sales of intellectual property rights;
- 3) intellectual property license or sublicense agreements to be granted by the Company, relating to the Company's core technologies, including among others SmartCut or SmartCut Sic, or any cross-license agreement;
- 4) any license granted to the Company of a third-party product IP or process enabling the production of products.

Prior approval will not be required for:

- a) joint R&D agreements and/or
- b) publicly funded R&D agreements, and/or

- c) license or sublicense agreements for IT or development or manufacturing tool IP.

## **VI. Loans, Guarantees and Advances**

- 1) Management will submit to the Board of Directors for prior consideration and approval loans or advances to or guarantees of the performance or indebtedness of any person or entity exceeding US\$ 60 million collectively per year.
- 2) No approval is necessary for:
  - a) loans or advances to the Company's wholly- or majority-owned subsidiaries,
  - b) guarantees of obligations of the Company's wholly or majority-owned subsidiaries,
  - c) prepayments or bank guarantees given in the ordinary course of the Company's business.
- 3) The Company may not make any loan or advance of Company assets to (a) a Director or an executive officer of the Company, or (b) to relatives, associates, and affiliates of such persons.

## **VII. Material Sales and Purchasing Contracts**

### **1) Sales Contracts**

Management will submit to the Board of Directors for prior consideration and approval sales contracts in amounts exceeding annually US \$100 million.

Management will submit to the Board of Directors for prior consideration and approval sales contracts of any amount which provide for potential liquidated direct damages of US \$20 million or more.

### **2) Purchasing Contracts**

Management will submit to the Board of Directors for prior consideration and approval purchase contracts providing for firm commitments exceeding US \$ 50 million and/or amendments to such contracts exceeding US \$ 50 million, and which provide for a take or pay contract or which involves a potential liquidated damages or penalty payment ("*clause pénale*") in an amount of US\$20M or more to the third party supplier.

A "take or pay contract" is generally a provision, written into a contract, in which the Company has the obligation of either taking delivery of goods or paying a specified penalty.

### **3) Material Contracts or undertakings (not including sales and purchasing contracts)**

Management will submit to the Board of Directors for prior consideration and approval all contractual commitments having a value over the life of the contract above US\$ 50 million, such as but not limited to forward contracts on material, hedging, or service contracts, or contracts which contain a potential liquidated damages or penalty payment clause in an amount of US\$20 million or more.



Management will submit to the Board of Directors for prior consideration and approval all undertakings potentially having a material impact on the Company's strategy, stature, and reputation. Typical undertakings of this nature include headquarters or manufacturing location change, material changes in tax policy or domiciliation, and public communication which would materially influence the Company's image, reputation, or relationships with the Company's strategic stakeholders.

Management can obtain the above listed approvals within the budget or strategic plan approval process, and/or by submitting an overall policy to be approved (case of the hedging policy for instance).

#### **4) Compensation**

The prior approval of the Board of Directors, after recommendation of the Compensation and Nomination Committee, is required for:

- 1) Compensation, retirement and pension plans, benefits in kind and various pecuniary rights, and more generally all compensation or incentive packages including equity, that are allotted to the Chair of the Board of Directors, to the Directors, to the Chief Executive Officer, to the Deputy Chief Executive Officers and any members of the Board of Directors who are employees or corporate officers;
- 2) Allotment of stock options or the purchase of shares of the Company as well as the allocation of bonus shares or any other financial instrument to the Directors and the employees of the Group;
- 3) Variable compensation criteria for the Chief Executive Officer and Deputy Chief Executive officers;
- 4) Compensation conditions and dismissal packages for the Chief Executive Officer.

#### **5) Other Actions**

The prior approval of the Board of Directors is required for:

- 1) Commitments (including local/government authorities' relationships) on exceptional matters which may have material impact on the Company's strategy, stature, and reputation, ESG footprint or on matters which concern Board responsibilities.
- 2) Public communication or disclosures to third parties (including shareholders) of intent or potential intent or to enter into commitments on such exceptional matters listed above.

All items mentioned under this Article 3 c) will be communicated timely with the Board of Directors.

Communication on financial matters, in particular market disclosures, financial market presentations, quarterly/semi-annual/annual releases, new or changed guidance and financial press releases as well as the press releases other than financial which could have a material impact on the Company's share price or which are legally required (other than the communication concerning legal formalities) shall be subject to prior notification to the Board of Directors.

The organizational changes and hiring or dismissal of Executive Committee members shall be subject to prior notification to the Chair of the Board and the Chair of the Compensation and Nominations Committee, with the possibility for them to issue a recommendation.



The contractual welcome bonus, or total dismissal packages which involved share grants or which exceed two (2) years of fixed and variable cash remuneration for Executive Committee members shall be subject to prior approval of the Chair of the Board and the Chair of the Compensation and Nominations Committee.

#### **ARTICLE 4 - Duties of Directors**

##### *a) Representation of Shareholders*

The Board of Directors shall represent all the shareholders collectively and must act under all circumstances in the Company's corporate interest. The Director, regardless of the way in which he or she was appointed or the functions that he or she may otherwise exercise, must act in his or her capacity as a Director in the sole interest of the Company and with diligence.

##### *b) Director's Knowledge of His or Her Obligations*

The Director shall ensure that he or she is familiar with the general and specific obligations relating to his or her position. He or she must particularly know and respect the statutory and regulatory provisions relating to the position of Director, the recommendations of Corporate Governance Code, as well as the rules specific to the Company resulting from its by-laws, this internal regulation and the Code of Conduct attached in **Schedule 2** to the present internal regulation.

##### *c) Holding Multiple Positions Simultaneously*

The Directors are careful to limit the number of board memberships in other companies, including their participation in these other companies' committees, so as to remain sufficiently available. More specifically, the Director must strictly follow the over boarding rules provided for by law and the Corporate Governance Code.

Any Director who is an individual and acquires a new position in violation of the rules provided by law and the Corporate Governance Code must resign from one of his or her positions within three (3) months following his or her appointment. Otherwise, he or she shall be considered to have resigned as Director of the Company.

To avoid this situation, the Directors shall inform the Chair of the Board of Directors before accepting another board membership in a listed French or foreign company who may exceptionally authorize the Director, on a case-by-case basis, to accept the new membership for motivated and valid reasons (even if this results in a deviation from the corporate governance code). It is understood that, even though an exception has been granted to a Director, the Chair of the Board may, at its discretion, request the Director to resign from one of his or her positions if it is considered that the Director is not sufficiently available for the Company on a frequent basis.

Executive corporate officers shall in addition seek the opinion of the Board of Directors before accepting another board membership in a listed French or foreign company.

##### *d) Conflict of Interests*

All Directors must make their best efforts to avoid being in a situation of conflict between their

moral and material interests and those of the Group.

A conflict of interest is a situation in which:

- (i) a Director or a member of his/her family or close-relative, has a personal interest or is working, in any capacity, for a company having an interest;
- (ii) such interest could interfere or interferes with the Director's position at Soitec; or,
- (iii) such interest could influence the impartial, objective, and independent exercise of the Director's judgment concerning Soitec matters, for example to favor such other interests.

Each Director must provide the Board of Directors, at the time of his or her appointment with a declaration of facts confirming the absence of or otherwise detailing any situation of conflict of interest, even potential, direct, or indirect, concerning him or her. Each Director must communicate to the Board of Directors any update of this declaration of facts.

Furthermore, each Director shall have the obligation to inform the Board of Directors of any potential, direct or indirect situation of conflict of interest.

The Chair of the Board of Directors may, at any time, and shall upon request of the Referent Director, request a written declaration from the Directors stating that they are not in a real or potential situation of conflict of interests. The Referent Director may request such a declaration from the Chair. In the event of a real or potential situation of conflict of interests for which the Chair judges that the subject matter can be disclosed to them, Directors shall refrain from participating in the debates or in any decision at the level of the Board of Directors or of the relevant Committees, and shall not have access to the relevant documents and discussions. Nevertheless, Directors that are not allowed to participate may present their position prior to withdrawing from the debates.

In the event of a real or potential situation of conflict of interests for which the Chair judges that the subject matter cannot be disclosed to the conflicted Directors, the Board of Directors or the Committees shall meet without the conflicted Directors and the conflicted Directors shall not have access to the relevant documents.

*e) Directors' involvement*

Directors agree to devote the necessary time and attention to their duties.

They must regularly attend and participate in all the meetings of the Board of Directors and meetings of the Committees of which they are part. They shall attend the General Meetings.

*f) Confidentiality*

Under article L. 225-37 of the French Commercial Code, the Directors, as well as any person called to attend the meetings of the Board of Directors, shall be bound to discretion with regard to information provided to the Board during or outside of Board or Committee meetings which is non-public.

In addition, the Directors, as well as any persons called to attend (i) meetings of the Board of

Directors, or (ii) meetings of the Committees of the Board of Directors (whether in person, by videoconference or conference call), shall be bound to confidentiality obligations with regard to the non-public information provided to and/or discussions and exchanges at such meetings or in relation thereto and strictly abide to the following disclosure restrictions.

- (i) **Individual Directors, as well as permanent representatives of Company Directors which are not institutional financial investors, and as well as invitees:** No disclosure of nonpublic information is permitted (including without limitation, to personnel of companies designating the Director or of which company the Director is a representative).
- (ii) **Permanent Representatives of Company Directors which companies are institutional financial investors:**

A permanent representative of a legal entity which is a Director, and which entity is an institutional financial investor, may provide information he/she received during or outside the meetings of the Board or its Committees to personnel of such legal entity provided that:

- access to such information shall be permitted only for the purpose of the accomplishment of its duty of Director, in the Company's corporate interest;
- communication shall be limited to that portion of the information which is necessary for the purposes set out above;
- distribution shall be limited to the chief executive officer of such legal entity and to such other individuals who strictly need to know such portion of information for the purposes set out above, provided that such entity (i) takes all useful measures (including the entering into of confidentiality agreements) to ensure that strict confidentiality is maintained by all such persons and (ii) maintains a list of such persons and procure that such persons comply with applicable law relating to disclosure and use of inside information.

In the event of a proven breach of the confidentiality obligation by one of the Directors or any other person attending the meetings of the Board of Directors, the Chair of the Board of Directors shall consider the measures to be taken in response to that breach, including legal action.

g) Insider Trading Restrictions

The Chair of the Board of Directors, the Directors, the Chief Executive Officer and any other person called to attend the meetings of the Board of Directors may not trade in Soitec shares while they have information about the Company, obtained during the course of their duties, that has not yet been made public.

Accordingly, they may not trade in Soitec shares during the "blackout" periods:

- thirty (30) calendar days preceding the date of publication of the annual and half-year consolidated financial statements up to and including the date of their publication and the day after if the press release is published after market close;
- fifteen (15) calendar days preceding the date of publication of the quarterly revenues up to and including the date of their publication and the day after if the press release is published after market close.

Furthermore, the Company may draw up specific insider lists if insider information has been

identified but a decision has been taken to postpone the publication of the relevant information.

In any event, even outside "blackout" periods, the Chair of the Board of Directors, the Directors and the Chief Executive Officer are required to determine, prior to each transaction, whether they are in possession of inside information and, if so, to refrain from carrying out any transaction.

The Chair of the Board of Directors, the Directors and the Chief Executive Officer must report to the Company the list of the persons who are closely associated with him/her:

- a) the spouse not judicially separated or civil partner;
- b) Children over whom he or she exercises parental authority or of whom he or she has full or shared custody or for whom he or she has effective, continuous responsibility;
- c) Parents or relatives who have been living in his or her home for at least one (1) year on the transaction date;
- d) A legal entity, trust or "fiducie", or a partnership over which he or she or a person referred to in a), b) or c) above has executive responsibility, which is directly or indirectly controlled by or as been created for the benefit of or whose economic interests are substantially the same as those of that Chair of the Board of Directors, the Directors and/or the Chief Executive Officer or person.

In addition to this obligation, the Chair of the Board of Directors, the Directors and/or the Chief Executive Officer, together with the persons closely related to them, must declare to the AMF transactions in the Company's securities within three (3) trading days of the transaction date.

The threshold for disclosure is twenty thousand (20,000) euros per calendar year for all transactions made by the same person. Once the cumulative amount of share transactions exceeds that threshold, all transactions made in Soitec shares must be disclosed.

The applicable rules are summarized in the Company insider trading policy attached hereto as **Schedule 1**.

## **ARTICLE 5 – Committees of the Board of Directors**

### *a) Creation of Committees*

The Board of Directors may decide to create one or more permanent Committees for which it determines their composition, missions, and powers. The Committees shall carry out their activities under the responsibility of the Board of Directors.

The mission of the Committees is to provide a thorough analysis and reflection prior to the collegial meeting of the Board of Directors and to contribute to the preparation of the decisions of the Board of Directors.

The Committees have no decision-making power and the opinions, proposals, and recommendations that Committees submit to the Board of Directors are not binding on the Board of Directors.

The Committees shall carry out their activities under the responsibility of the Board of Directors, which has alone the legal authority to make decisions and remains collectively responsible for the accomplishment of its missions.

The Board of Directors may decide to create *ad hoc* working groups for the sole purpose of conducting studies on matters of an exceptional nature or on specific matters of strategic importance for the Company, and for a limited period of time.

*b) List of Committees*

In accordance with the resolutions of the Board of Directors dated September 28, 2022, there are four (4) permanent Committees:

- a Strategic Committee.
- an Audit and Risks Committee.
- a Compensation and Nominations Committee.
- An Environmental, Social and Governance (ESG) Committee.

*c) Composition of the Committees*

Committee members must be Directors and are appointed in a personal capacity by the Board of Directors. A permanent representative of a Director who is a legal person may also be appointed as a member of a Committee, provided, however, that replacing the permanent representative causes immediate termination of his or her tenure as a Committee member.

The mandates of Committee members are renewable.

A person may be a member of several Committees.

Directors who are appointed as members of one (1) or several Committee(s) shall be appointed for the duration of their term of office.

The Board of Directors appoints a Chair for each Committee, on the recommendation of the Compensation and Nominations Committee, for a maximum term corresponding to his or her term of office as Director.

Only members of the relevant Committee take part in its deliberations and can vote.

*d) Committees Meetings*

It is the responsibility of each Committee to determine its own annual meeting schedule, based on the schedule of the Board of Directors' meetings.

Each Committee shall consider any matter within the scope of its authority under this internal regulation and shall meet on its annual meeting schedule basis or at any time, if necessary, at the request of its Chair, the majority of its members, the Chair of the Board of Directors, the Referent Director or one third (1/3) of the Directors.

The Chair of each Committee sets the agenda of the meeting and shall send the notice of the meeting to each member of the Committee, together with the relevant documents, within seven (7) days before the date of such meeting.

In case of emergency or justified necessity, the members of each Committees shall meet without prior notice.

Documents sent to Committees members prior to Committees meetings are also made available to all Directors unless the Chair of the relevant Committee decides otherwise in view of (i) the nature or sensibility of the document(s) in question or (ii) in the event of a conflict of interest.

Subject to the specific provisions of each Committee, its Chair may decide to invite any person of his or her choice to attend Committee meetings, either on a permanent or on an *ad hoc* basis, for one or several meetings depending on the subject of such meeting, and provided there is no conflict of interest.

Where appropriate, a Committee may hold a joint meeting with another Committee of the Board of Directors. In this case, each Committee Chair shall ensure that he or she shares all documents necessary for the study of these subjects and, where necessary, the results of his or her Committee's work with the Board of Directors.

At the end of each meeting of the Committees, or at any time deemed appropriate, Closed Sessions of the Committees shall be held in order to discuss any specific issue, as well as the internal functioning of the Committees.

Closed Sessions shall be convened by the Chair of each Committee who sets the agenda. Subjects discussed in Closed Sessions may or may not be reported in the minutes. If the minutes are written, then they will be circulated to the participants or to Committee at large, as decided by the participants in the Closed Sessions.

As Closed Sessions have no decision-making or deliberative powers, no action or formal decision failing within the competence of the Board of Directors or of the competent Committee may be taken during these meetings.

If necessary, any matter falling within the competence of the Board of Directors or of the competent Committee may be brought to its attention and, as the case may be, included in the agenda of its next collegial meeting and be subject of a formal decision or recommendation.

The minutes of each Committee meeting are drawn up by the Secretary of the Board of Directors under the authority of the Chair of such Committee and sent to the members of such Committee within seven (7) days after such meeting.

#### *e) Committees Resources*

In order to carry out their work, each Committee may use external experts or advisors and request external studies on subjects within their jurisdiction, at the Company's expense and each Committee chair will ensure that his or her budget is part of the aggregate budget proposed by the Chair of the Board and by the Board of Directors.

When a decision is made by the Board of Directors or by a Committee to use an external expert or advisor, the Committee Chair shall inform the Chair of the Board of Directors, who shall allocate the yearly approved budget and request further funds to the Board of Directors if necessary, and the Committee Chair shall notify the Board of Directors at its next meeting. The Committees must ensure the objectivity of the external experts requested.

Within the framework of the allocation of this autonomous budget, the Chair of the Board or the Committee Chair shall determine the reasonable fees and the acceptable terms and conditions in accordance with industry standards.

In the event that a Committee requests external experts or advisors on a subject with conflict of interests, the Chair of the Board of Directors shall decide the timing and the content of the relevant information to be provided to the Board of Directors.

Each Committee may also contact and interview the main executive officers of the Company after having informed the Chief Executive Officer and the Chair of the Board of Directors or, if the Chair of the Board of Directors is conflicted, the Chair Referent Director, and subject to reporting to the Board of Directors. The provisions of article 3(d) above shall also apply.

## **ARTICLE 6 – Strategic Committee**

### ***a) Mission and Powers***

The mission of the Strategic Committee shall be:

- to assist the Board of Directors in those of its duties that consist in determining and regularly reviewing the strategy of the Company and the Group, to include the scope, business plans, budget and potential M&A mapping and opportunities;
- and for that purpose, to analyze the markets, key success factors and the areas of growth of the Group in order to present proposals to the Board of Directors for the strategy of the Group;
- to elucidate, by its analyses and its debates, the strategic objectives of the Group submitted to the Board of Directors and to evaluate the merits and the consequences of the most important strategic decisions proposed to the Board of Directors; and,
- to carry out a review of the competitive environment and to prepare a report on this subject, the modalities of preparation and content of such report being defined by the Chair of the Strategic Committee.

The Strategic Committee shall not have any powers of its own. The Board of Directors alone shall have the authority to decide on the strategy of the Company and the Group.

### ***b) Composition***

The Strategic Committee shall be composed of members appointed by the Board of Directors from among its members and shall include a majority of independent directors as well as the Chief Executive Officer (provided he or she is a member of the Board of Directors).

The Chief Executive Officer, if he or she is not a member of the Board of Directors, is invited to each meeting of the Strategic Committee.

The term of office of the members of the Strategic Committee shall coincide with their term of office as members of the Board of Directors. It may be renewed at the same time as the latter.

*c) Meetings*

The Strategic Committee shall meet at least twice (2) a year upon the request of the Chair of the Strategic Committee or of two (2) of the members of the Committee who may convene it by all means. It may meet by videoconference or any other communication means that allows for the identification of its participants and its effective participation to the meeting.

To deliberate validly, at least half of its members must be present or deemed to be present knowing that the Directors attending the meeting by videoconference, conference call or any other means allowing their identification and their effective participation shall be considered to be present for the purposes of calculating the quorum and the majority. A member of the Strategic Committee may only be represented by another member of the Committee.

The working language for Strategic Committee meetings shall be English.

*d) Minutes*

At the end of each one of its meetings, the conclusions, proposals, opinions and/or recommendations of the Strategic Committee shall be included in written minutes, which shall be communicated to the members of the Strategic Committee, except to conflicted members.

The Chair of the Committee shall report to the Board of Directors on its work.

**ARTICLE 7 – Audit and Risks Committee**

*a) Mission and Powers*

The Audit and Risks Committee shall help the Board of Directors to ensure the accuracy and the reliability of the corporate and consolidated financial statements of the Company and the quality of the information provided. Its duties, as assigned by the Board of Directors in compliance with the Corporate Governance Code, shall be:

- (i) With regard to the accounting and the financial information:
  - to oversee the quality of the process of preparing the financial information and to follow its unfolding;
  - to examine the annual financial statements before the Board of Directors receives them; for that purpose, the Audit and Risks Committee shall hear (i) the statutory auditors present to it the essential points concerning the results and the accounting methods used (ii) as well as a presentation from the Chief Financial Officer describing the risk exposure and the significant off-balance-sheet commitments;
  - to ensure the relevance of the accounting methods used and to study the changes and adaptations in the accounting principles and rules used to prepare the financial statements and prevent any possible violation of said rules;
  - to be informed of the changes in the scope of the consolidated companies and receive



any necessary explanations;

- to examine the interim and preliminary earnings as well as the comments that accompany them, before they are announced;
- to ensure that the quality of the procedures enables compliance with stock exchange regulations;
- to be informed of the financial strategy and the conditions of the main financial transactions of the Group;
- to review quarterly dashboard of financial and operational data enabling the Board of Directors to understand the business in terms of products and customers (actual and forecast);
- to review financial market releases and financial analyst presentations;
- to ensure that the Company and the different Committees involved in the Company ESG plan are addressing the subject matter in accordance with disclosure requirements and ensure that said disclosures are complete, accurate and consistent with the information presented in the financial statements of the Company.

(ii) With regard to the external audit of the Company:

- to regularly hear the statutory auditors of the Company;
- to steer the procedure of selection of the statutory auditors and to submit the result of said selection to the Board of Directors by way of recommendation; upon decision of the Board of Directors, the selection or the renewal of the statutory auditors shall be preceded by a request for proposals;
- to evaluate each year the amount of the compensation paid to statutory auditors to carry out their statutory audit duties;
- to ensure the observance of the independence of the statutory auditors, particularly by evaluating with them the risks encumbering their independence and the safeguard measures taken to attenuate that risk and by making sure that the amount of the fees paid by the Company and its Group, or the share that they represent in the gross revenue of the firms and the networks, are not likely to undermine the independence of the statutory auditors;
- to supervise the application of the rules of recourse to the statutory auditors for work other than the statutory audit and to pre-approve the recourse to the statutory auditors outside of their statutory audit mission. In this frame, within an Audit and Risks Committee charter attached as **Schedule 3** to these internal regulations as validated on November 29, 2017, the Board of Directors has set the rules applicable to the Audit and Risks Committee for the pre-approval process of non-audit services that may be provided by the Company's statutory auditors or their networks;
- to examine each year with the statutory auditors their plans of intervention, the conclusions thereof and their recommendations as well as the follow-up that is given to them; and
- to review third party verification of publicly communicated indicators of ESG quantitative performance.

(iii) With regard to the internal control of the Company:

- to evaluate the internal control systems of the Group with the persons in charge of internal control;
- to examine with its managers the plans of interventions and actions in the area of

internal control, the conclusions of those interventions and actions, and the recommendations and actions that are given to them;

- to review and propose recommendations regarding the annual capital expenditures budget and any exceptional expenses that would not have initially been included in the annual capital expenditures budget.

(iv) With regard to the risks:

- to regularly review and evaluate, with the person in charge of internal audit, the main financial risks, and significant off-balance-sheet commitments of the Company;
- To regularly review and evaluate, jointly with the ESG Committee, the main non-financial risks and their impact in the business activities (including the impact of climate change);
- to review and propose recommendations regarding the standard terms and conditions of sale and purchase issued by the company for purchase and sales orders. This can be done during the annual budget review or when material changes are brought to the standard terms and conditions;
- to give its opinion on the organization of the internal audit and to be informed of the work program of said service;
- to review the relevance of the procedures for analyzing and monitoring the risks, by ensuring the implementation of a process aiming to identify, quantify and prevent the major risks resulting from the Group's activities; and
- to review the section of the draft of the Board of Director's management report that relates to risks factors, internal control, and risk management mechanisms.

In order to fulfill its duties, the Audit and Risks Committee:

- must hear the statutory auditors, but also the financial, accounting and treasury officers. They may be heard, whenever the Audit and Risks Committee so desires, without the presence of the General Management of the Company;
- as to internal control, the Audit and Risks Committee must receive the internal audit reports or a periodic summary of said reports; and,
- must be provided by the Board of Directors with all documentation supporting each meeting at least seven (7) days before the meeting.

#### *b) Composition*

The Audit and Risks Committee shall be composed of two third (2/3) independent members designated by the Board of Directors and whose Chair shall be an independent Board member designated by the Board.

The term of office of the members of the Audit and Risks Committee shall coincide with their term of office as members of the Board of Directors. It may be renewed at the same time as the renewal of their term of office as members of the Board of Directors.

At the time of their appointment, the members of the Audit and Risks Committee must receive information on the accounting, financial and operating characteristics of the Company and its Group.

c) Meetings

The Audit and Risk Committee shall meet at least four (4) times per year particularly before each closing of the annual and semiannual accounting upon the request of the Chair of the Audit and Risk Committee or of two (2) of the members of the Committee who may convene it by all means; the calendar of its meetings shall be fixed at the same time as that of the meetings of the Board of Directors by the Board of Directors.

The Audit and Risks Committee may meet by videoconference or by any other means of telecommunication allowing identification of the participants and their effective participation to the meetings.

To deliberate validly, at least half of the members of the Audit and Risks Committee must be present or deemed to be present knowing that the Directors attending the meeting by videoconference, conference call or any other means allowing their identification and their effective participation shall be considered to be present for the purposes of calculating the quorum and the majority. No member of the Audit and Risk Committee may only be represented by another member of the Committee.

The working language for the Audit and Risks Committee meetings shall be English.

The following shall attend the meetings of the Audit and Risks Committee:

- the Chief Financial Officer or his or her deputy for that purpose, or both of them together;
- as the case may be, the representatives of the statutory auditors or the person in charge of the audit of the Company; and
- any person whom the Audit and Risks Committee wishes to hear.

d) Minutes

Minutes shall be kept of the meetings of the Audit and Risks Committee. The minutes shall be communicated to the members of the Audit and Risks Committee. The Chair of the Audit and Risks Committee or a member of the Audit and Risks Committee designated for that purpose shall report to the Board of Directors on the work of the Audit and Risks Committee.

## **ARTICLE 8 – Compensation and Nominations Committee**

a) Mission and Powers

The Compensation and Nominations Committee shall be entrusted its mission by the Board of Directors:

- to make recommendations to the Board of Directors for approval of the compensation, the retirement and pension plan, the benefits in kind and the various pecuniary rights, and more generally all compensation or incentive packages including equity, that are allotted to the Chair of the Board of Directors, to the Directors, to the Chief Executive Officer, to the Deputy Chief Executive Officers and any members of the Board of Directors who are employees or corporate officers;
- to make recommendations to the Board of Directors for approval of the allotment of stock

- options or the purchase of shares of the Company as well as the allocation of bonus shares or any other financial instrument to the Directors and the employees of the Group;
- to make recommendations to the Board of Directors for approval of the variable compensation criteria for the Chief Executive Officer and Deputy Chief Executive officers;
  - to be informed of the compensation policy of the Company including the compensation of the members of the Executive Committees and to make recommendations to the Chief Executive Officer for his or her consideration regarding the compensation and any other benefits, in particular pension plan, and more generally all compensation items, fixed and variable or incentive packages including equity, of the members of the Executive Committee;
  - to make recommendations to the Board of Directors for approval on contractual welcome bonus or contractual dismissal packages for Executive Committee members;
  - more generally, to make recommendations and formulate opinions to the Board of Directors on any question regarding the Company's compensation policy and ensure the consistency of this policy;
  - to set up a procedure for selecting the future independent Directors, and debate of the criteria of independence of such candidate, and to make proposals to the Board of Directors as to the selection of new Directors, their cooptation, their appointment or their renewal; the Compensation and Nominations Committee shall consider the desirable balance of the composition of the Board of Directors and the Committees in view of the composition and the changes in the shareholder structure of the Company, but also the implementation of a policy of diversity with regard to criteria such as independence, representation of women and men, nationality, age or professional qualifications and experience;
  - to periodically review, in coordination with the ESG Committee, the independence of the Board members;
  - to prepare the recommendations for the succession of the Chair of the Board of Directors, the Chief Executive Officer, or the Deputy Chief Executive Officers, if any, when the expiry of their term of office approaches;
  - to review Organization and Human Capital plans proposed by the Chief Executive Officer and ensure proper succession planning and talent management is in place;
  - to be involved in the process of any arrival or departure at Executive Committee level and be part of the final selection step, and more generally, to make recommendations to the Chief Executive Officer regarding the composition of the Executive Commission.

*b) Composition*

The Compensation and Nominations Committee shall not include any executive corporate officers and be made up, to the extent possible, of a majority of independent Directors.

The Chair and Chief Executive Officer or, if applicable, the Chief Executive Officer may be invited to the meetings of the Compensation and Nominations Committee. The Chair and Chief Executive Officer or, if applicable, the Chief Executive Officer, may not be present at the deliberation concerning his or her compensation.

The term of office of the members of the Compensation and Nominations Committee shall coincide with their term of office as members of the Board of Directors. Said term of office may be renewed at the same time as the renewal of their term of office as members of the Board of Directors.

c) Meetings

The Compensation and Nominations Committee shall meet at least once (1) per year, prior to the approval of the agenda of the Ordinary General Meeting, upon the request of the Chair of the Compensation and Nominations Committee or of half of the members of the Committee who may convene it by all means to examine the draft resolutions that will be submitted to it.

The Compensation and Nominations Committee shall meet once (1) a year and/or before any Long Term Incentive (LTI) plan is proposed for a presentation made by the Chief Executive Officer of the compensation policy of the members of the Executive Committee observed in previous fiscal years and the proposed compensation policy for the next fiscal year.

The Compensation and Nominations Committee may meet by videoconference or by any other means of telecommunication allowing identifying the participants and the effective participation to the meeting.

To deliberate validly, at least half of its members must be present or deemed to be present knowing that the Directors attending the meeting by videoconference, conference call or any other means allowing their identification and their effective participation shall be considered to be present for the purposes of calculating the quorum and the majority. A member of the Compensation and Nominations Committee may be only represented by another member of the Committee.

The working language for the Compensation and Nominations Committee meetings shall be English.

d) Minutes

Minutes shall be kept of the meetings of the Compensation and Nominations Committee. The minutes shall be communicated to the members of the Compensation and Nominations Committee. The Chair of the Committee or a member of the Compensation and Nominations Committee designated for that purpose shall report to the Board of Directors on the opinions and recommendations of the Compensation and Nominations Committee so that it may deliberate on them.

**ARTICLE 9 – Environmental, Social and Governance (ESG) Committee**

a) Mission and Powers

The mission of the ESG Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the Group's identification and management of Environmental, Social and Governance matters including without limitation:

- environmental sustainability and climate change, including low carbon and climate change impacts, greenhouse gas emissions, air and water quality, ecological impacts;
- social sustainability, including human rights, wellbeing, diversity and inclusion in the work place;
- governance including business ethics.

(collectively “**Corporate Sustainability**”).

The mission of the ESG Committee does not include oversight of the audit performed on the mandatory consolidated non-financial performance report which audit is overseen by the Audit and Risks Committee.

The ESG Committee shall in particular:

- oversee the Group actions and strategies to take into account Corporate Sustainability in management of the Group's objectives, business, strategy, and product policy in the short, medium, and long term, and to comply with applicable laws;
- review the Group's public disclosure on Corporate Sustainability including without limitation in particular the annual management report sections on non-financial performance and on other ESG matters;
- monitor, jointly with the Audit and Risks Committee, managements' identification of risks and opportunities in respect of the Corporate Sustainability (including the impact of the climate change) that could impact the Group's ability to create long-term value for stakeholders, including when appropriate relevant tests of the resilience of the Company's business model;
- monitor internal controls, the implementation of due diligence processes, and the management of critical incidents including corrective actions, to the extent any of the foregoing relate to Corporate Sustainability.

In relation to Governance specifically, the ESG Committee shall:

- periodically review and evaluate matters relating to the functioning of the Board of Directors;
- consider questions related to the effective development of good governance of the Company, e.g. annual assessment of the Board of Directors, independence of the Board of Directors and Committees, desirable functioning of the Board of Directors and Committees, balance of powers, and make recommendations to the Board of Directors in this regard.

*b) Composition*

The ESG Committee shall include at least three (3) members, shall not include any executive corporate officers, and be made up, to the extent possible, of a majority of independent Directors.

The Chair and Chief Executive Officer or, if applicable, the Chief Executive Officer may be invited to the meetings of the ESG Committee, the Chair of the ESG Committee and the Chair of the Board of Director being informed in advance. The Chair and Chief Executive Officer or, if applicable, the Chief Executive Officer, is involved in the work of the ESG Committee relating to the selection or the appointment of the new Directors.

The term of office of the members of the ESG Committee shall coincide with their term of office as members of the Board of Directors. Said term of office may be renewed at the same time as the renewal of their term of office as members of the Board of Directors.

*c) Meetings*

The ESG Committee shall meet at least twice (2) per year, prior to the approval of the agenda of the

Ordinary General Meeting, upon the request of the Chair of the ESG Committee or of half of the members of the Committee who may convene it by all means to examine the draft resolutions that will be submitted to it and which concern positions of members of the Board of Directors.

The ESG Committee may meet by videoconference or by any other means of telecommunication allowing identifying the participants and the effective participation to the meeting.

To deliberate validly, at least half of its members must be present or deemed to be present knowing that the Directors attending the meeting by videoconference, conference call or any other means allowing their identification and their effective participation shall be considered to be present for the purposes of calculating the quorum and the majority. A member of the ESG Committee may be only represented by another member of the Committee.

The working language for the ESG Committee meetings shall be English.

*d) Minutes*

Minutes shall be kept of the meetings of the ESG Committee. The minutes shall be communicated to the members of the ESG Committee and to the other members of the Board of Directors. The Chair of the Committee or a member of the ESG Committee designated for that purpose shall report to the Board of Directors on the opinions and recommendations of the ESG Committee so that it may deliberate on them.

**ARTICLE 10 - Compensation**

The General Meeting may allocate to the Directors, as compensation for their activity, an annual fixed sum, as Directors' fees. The Board of Directors shall freely distribute said compensation among its members according to the compensation policy approved by the General Meeting.

If the composition of the Board of Directors is not compliant with the provisions of the first paragraph of Article L. 225-18-1 of the French Commercial Code, the payment of the abovementioned compensation is withheld. The payment is released if and when the composition of the Board of Directors becomes compliant, including the arrears due from the withholding date.

The compensation of the Chair of the Board of Directors, of the Chief Executive Officer and, as the case may be, of the Deputy Chief Executive Officer(s) shall be determined by the Board of Directors in accordance with the relevant provisions of the French Commercial Code, at the proposal of the Compensation Committee. It may be fixed or variable, or both fixed and variable.

The Board of Directors may allocate extraordinary compensation for the missions or mandates entrusted to Directors; in such case, the compensation, posted to operating expenses, shall be subject to the approval of the Ordinary General Meeting under the conditions stipulated in article 23 of the by-laws.

In accordance with article L. 225-44 of the French Commercial Code, subject to Articles L. 225-21-1, L. 225-22, L. 225-23, L. 225-27 and L. 225-27-1 of the said Code, the Directors shall not receive from the Company any compensation, permanent or not, other than those mentioned in Articles L.

225-45, L. 225-46, L. 225-47, and L. 225-53 of the French Commercial Code.

### **ARTICLE 11 - Evaluation of the Functioning of the Board of Directors**

Once (1) per year, before the Ordinary General Meeting is held, the Board of Directors shall devote an item on its agenda to a discussion of its functioning, revolving notably around the following areas:

- focus on its composition, operation, and organization;
- verifying that the important matters are suitably prepared and discussed;
- measurement of each Director's actual contribution to the work of the Board of Directors, taking into consideration his or her expertise and his or her involvement in the deliberations.

In addition, at least once every three (3) years, it shall conduct a formal evaluation of its work or cause that evaluation to be performed.

Each year, the Board of Directors shall inform the shareholders, in the annual report, of the evaluations that have been performed and any follow-up actions taken.

### **ARTICLE 12 - Miscellaneous Provisions**

#### *a) Amendment to Regulations*

This internal regulation may be amended only by decision of the Board of Directors.

#### *b) Entry into force of Regulations*

This internal regulation shall enter into force on the day they are adopted by the Board of Directors.

#### *c) Official Version*

The French-language version of these internal rules has been drawn up for information purposes only. In the event of discrepancies between the French and the English versions or difficulties in their interpretation, the English-language version shall prevail.