

# **PHOENIX BEVERAGES LIMITED**

(the "Company" or "PBL")

## **BOARD CHARTER**

(the "Charter")

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## Introduction

A Board Charter is defined as:

*"A written policy document that clearly defines the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and management in setting the direction, the management and the control of the organisation."*

The provisions of this Charter are complementary to the requirements regarding the Board and Board members contained in The Companies Act 2001 (the "Act"), the Constitution of Phoenix Beverages Limited and the provisions governing the relationship between the Board and the Board Committees as contained in the charters of the said Committees.

This Charter is posted on the website of PBL on [www.phoenixbev.mu](http://www.phoenixbev.mu).

### 1. The Board

#### 1.1. Board profile, size, expertise and independence

##### a) Board profile

The Board, in consultation with the Corporate Governance Committee which is also acting as Nomination Committee, shall determine a profile of its size and composition, whilst considering the nature of the Company's business and its subsidiaries and the desired expertise and background of the Board members.

##### b) Number of Directors

In accordance to the Constitution of the Company, the Board shall consist of a minimum of ten (10) Directors and a maximum of twelve (12) Directors.

##### c) General composition

The Board shall use its best efforts to ensure that:

- (i) its members can act independently of one another;
- (ii) each Board member can assess the broad outline of the Company's overall position;
- (iii) each Board member has sufficient expertise to perform his role as a Board member;
- (iv) the Board matches the Board profile;
- (v) at least one (1) Board member is a financial expert; and
- (vi) no less than two (2) of the Board members are independent as defined in section 1.1.(d) below.

##### d) Independence of Directors

An independent Director is one who:

- (i) has not been an employee of the Company or group of companies (the "Group") within the past three (3) years;
- (ii) has not or have not had within the past three (3) years, a material business relationship with the Company, either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Company;
- (iii) has not received or receive additional remuneration from the Company apart from a Director's fee or remuneration as a member of the Company's pension scheme;
- (iv) is not a nominated Director representing a significant shareholder;

- (v) does not have close family ties with any of the Company's advisers, Directors or senior employees. In the event of a difference of opinion in relation to the significance of close family ties in impeding the independency of a Director, the Board as a whole shall adjudicate;
- (vi) does not have cross directorships or significant links with other directors through involvement in other companies or bodies;
- (vii) has not served on the Board for more than nine (9) continuous years from the date of his first election.

## **1.2. Appointment, reappointment, term of office, resignation**

### *a) Election by shareholders*

The Annual meeting of shareholders elects members of the Board.

### *b) Substance of nominations and recommendations*

The Corporate Governance Committee, in its role in the process of nomination of Directors shall, in its recommendation to the Annual meeting of shareholders, state the following:

- (i) The candidate's age and profession;
- (ii) The amount and nature of any shares held in the Company;
- (iii) Any convictions for any crimes involving dishonesty, fraud or breach of trust;
- (iv) The positions held in, at least, the past three (3) years, including other directorship or senior management position;
- (v) Any other information relevant to assess whether the candidate is fit and proper to serve as member of the Board.

The reasons for the recommendation shall also be stated. Any nomination or recommendation for appointment or reappointment of a Board member shall be in accordance with this Charter.

### *c) Re-election*

Before recommending a Board member for re-election, the Board must carefully consider the member's past performance.

### *d) Staggered retirement*

Pursuant to the Company's Constitution, Board members shall retire periodically and shall offer themselves for re-election according to a rotation plan. The Board may amend the said rotation plan. This plan is available upon a written request made to the Company Secretary.

## **1.3. The Chairperson**

### *a) Election*

The Directors shall elect one (1) of their number as Chairperson of the Board and determine the period for which he is to hold office.

For the appointment of a Chairperson, the Board, assisted by the Corporate Governance Committee, should prepare a job specification, including the commitment expected. A proposed Chairperson's other significant commitments should be disclosed to the Board before appointment and any significant changes to the Chairperson's commitments should be reported to the Board as they arise.

Where no Chairperson is elected or where at a meeting of the Board, the Chairperson is not present within fifteen (15) minutes after the time appointed for the commencement of the meeting, the Directors present shall choose one of their number to be Chairperson of the said meeting.

#### *b) Duties*

The Chairperson of the Board is primarily responsible for the activities of the Board and its Committees. He shall act as the spokesman for the Board and is the principal interface for the Chief Executive Officer ("CEO"). The CEO and the Chairperson shall meet regularly. The Chairperson of the Board presides over the meetings of shareholders.

#### *c) Responsibilities*

The Chairperson ensures that:

- (i) the Board satisfies its duties;
- (ii) Board members, when appointed, participate in an induction programme and, if required, in supplementary training programmes;
- (iii) Board members receive all information necessary for them to perform their duties;
- (iv) agendas of Board meetings are determined;
- (v) Board meetings are chaired in an effective manner;
- (vi) the Board has sufficient time for consultation and decision-making;
- (vii) minutes of the Board and Committees' meetings are kept;
- (viii) Committees function properly;
- (ix) the performance of the Board members is evaluated at least every three (3) years or at such interval that the Board shall think fit;
- (x) problems related to the performance of individual Board members are addressed;
- (xi) external advisors appointed by the Board are consulted;
- (xii) internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed;
- (xiii) the Board, through the CEO, has proper contact with the other executives.

### **1.4. The Company Secretary**

The Company Secretary assists the Board.

#### *a) General access*

All Board members may go to the Company Secretary for advice or to use its services.

#### *b) Responsibilities*

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under the law and the Company's Constitution. The Company Secretary shall assist the Chairperson of the Board in organising the Board's activities (including providing information, preparing an agenda, reporting of meetings, evaluations and training programmes).

### **1.5. The Committees**

#### *a) Establishment of Committees*

The Board may appoint Committees from among its members to perform specific tasks. The Board shall determine the members of any Committee. The Board shall establish an Audit and Risk Committee as well as a Corporate Governance Committee which shall also act as Nomination Committee as well as Remuneration Committee for non-executive directors.

b) Board responsibility for Committees' actions

The Board remains collectively responsible for the decisions and actions taken by any Committee. A Committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a Committee.

c) Committee reporting

Each Committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware of. The Board shall, as set forth in the charter of the Committee concerned, receive a report from the Committee describing the Committee's actions and findings.

d) Committee charters

The Board shall establish (and may amend) charters for each Committee. The charters shall indicate the role and responsibilities of the Committee, its composition and how it should perform its duties.

e) Website disclosure

The charters and the composition of the Committees shall be posted on the Company's website.

## 2. Duties and powers of the Board

### 2.1. General duties and powers

a) General responsibilities

The Board oversees the general business of the Company. The entire Board is responsible for such supervision and oversight.

b) The Board acts in the interest of the Company

The Board shall act in the best interests of the Company and its business, taking into consideration the interests of the Company's shareholders and other stakeholders.

c) Quality of performance

The Board is responsible for the quality of its own performance.

d) Action in concert

As much as they can, within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and matters of principle.

e) Provision of information

The Chairperson, the Company Secretary and the CEO shall see to it that the management, in a timely manner, provides the Board and its Committees with the information they need to properly function.

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*f) Responsibility for securing information*

The Board and its individual members each has responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisers of the Company. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

*g) Access to records*

Each member of the Board has access to the books and records of the Company, if useful to perform his duties. Unless the charter of a Committee states otherwise, Board members shall consult with the Chairperson of the Board, through the Company Secretary, before exercising their rights under this provision.

*h) Use of experts*

The Board may hire experts to assist or advise them. The cost of such experts shall be agreed to by the Board and shall be paid by the Company. A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.

## **2.2. Duties regarding the supervision of management**

*a) Nature of supervision*

In supervising the management, the Board shall consider:

- (i) the achievement of the Company's objectives;
- (ii) the defined strategy and risks in the Company's activities;
- (iii) the structure and operation of the internal risk management and audit and control systems;
- (iv) the financial reporting process;
- (v) compliance with law and regulations; and
- (vi) any other matters the law requires the Board to consider.

*b) Financial reporting*

The Board supervises the Company's financial reporting in accordance with section 3 below.

*c) Annual risk review*

At least once a year or when deemed necessary, the Board shall discuss the Company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

## **2.3. Duties regarding the members and the performance of the Board**

*a) Duties regarding the Board*

The duties of the Board (in consultation with the appropriate Board Committees) in relation to the members of the Board include:

- (i) the nomination of members of the Board (the appointment is made by the Annual meeting of shareholders) and proposals to the Annual meeting of shareholders for the compensation of members of the Board;

- (ii) the determination of the number of Board members, the appointment of a Chairperson of the Board, the establishment of Committees and defining their roles, the evaluation of the Board, its individual members and its Committees (including an evaluation of the Board profile and the induction, education and training programme); and
- (iii) addressing any conflicts of interest issues between the Company and members of the Board.

*b) Board assessment*

As often as deemed necessary or at least once every three (3) years, the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities and the composition and competence of the Board and its Committees.

**2.4. Certain other duties of the Board**

*a) Duties generally*

The other duties of the Board include:

- (i) duties regarding the external auditor as described in this Board Charter and the charter of the Audit and Risk Committee;
- (ii) other duties imposed by law, the Company's Constitution, this Charter and the charters of Committees.

*b) Annual report and accounts*

The Board shall draw up a report describing its activities in the financial year and containing the statements and information required by law and the Company's Constitution.

**3. Supervision of financial reporting**

*a) General supervision responsibilities*

The Board, in consultation with the Audit and Risk Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly and semi-annual (if any) financial reports and any other financial information. The Board, through the Audit and Risk Committee, also supervises the internal control and audit mechanisms for external financial reporting.

*b) Discussion of financial reports*

The Audit and Risk Committee shall regularly report to the Board on the annual report and accounts as well as the quarterly and semi-annual (if any) financial reports, which will then be discussed by the Board of Directors. The annual report and accounts for the year just ended shall be discussed in a meeting with the Board within three (3) months of the year end. The semi-annual and quarterly (if any) financial reports of the Company for the respective period just ended shall be discussed by the Board of Directors within forty-five (45) days of the end of the corresponding period.

*c) External auditor*

The Board shall ensure that the external auditor attends the meeting of the Audit and Risk Committee at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which the said Committee members decide whether or not to recommend the approval of the annual accounts. The external auditor shall receive any financial information underlying the quarterly and/or semi-annual financial reports (if any), and other interim financial reports, and shall be given the opportunity to respond to all information.

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*d) Audit and Risk Committee is principal contact with external auditor*

The Board's principal contact with the external auditor is through the Chairperson of the Audit and Risk Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit and Risk Committee and the external auditor.

*e) Recommendations by external auditor*

The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the Company's internal controls, as expressed in the management letter.

#### **4. Duties regarding nomination and assessment of external auditor**

*a) Appointment of external auditor*

The external auditor shall be appointed by the Annual meeting of shareholders. The Board shall nominate a candidate for this appointment to the Annual meeting of shareholders based on an open, transparent and competitive selection process, and may recommend replacement of the external auditor. The Audit and Risk Committee shall advise the Board on such matters.

*b) Compensation of external auditor*

The compensation of the external auditor and instructions to the external auditor to provide non-audit services shall be closely reviewed and approved by the Board on the recommendation of the Audit and Risk Committee, thus ensuring for the auditor's independence.

*c) Reports to the Board*

The Audit and Risk Committee shall report on their dealings with the external auditor to the Board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the external auditor providing both auditing and non-audit services to the Company). The Board shall take this into account when deciding its nomination to the Annual meeting of shareholders for the appointment of an external auditor.

*d) Assessment*

At least once every three (3) years or when deemed necessary, the Audit and Risk Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the Annual meeting of shareholders so it may assess the nomination for the appointment of the external auditor.

The Board will put the external audit contract out to tender at least every seven (7) years and consider whether the audit partner should be rotated at least every three (3) years.

*e) Conflicts of interest*

Conflicts of interest and potential conflicts of interest between the external auditor and the Company shall be resolved as determined by the Board on the recommendation of the Audit and Risk Committee. Board members must inform the Chairperson of the Audit and Risk Committee of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Company.



f) Representation by external auditor

When appointed, the external auditor shall state it is aware of:

- (i) the Company's audit policy; and
- (ii) other matters provided for in this Charter and the charter of the Committee and that it agrees to abide by and promote such policies.

**5. Compensation of Board members**

a) Corporate Governance Committee acting as Remuneration Committee for non-executive Directors

The Board shall determine the compensation of the non-executive Board members on a proposal by the Corporate Governance Committee acting as Remuneration Committee for non-executive Directors.

b) Extraordinary compensation

If a Board member or former Board member is paid special compensation during any financial year, an explanation of this compensation shall be included in the remuneration report. The remuneration report shall detail and explain any compensation paid or promised as severance pay to a Board member.

**6. Relations with shareholders**

a) Equal and simultaneous information

Where appropriate, the Board shall provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.

b) General meeting, record date, venue

The Board shall determine the date and place of any general meeting and a record date for the exercise of the voting and any other rights attached to the Company's securities at such meeting. The Board shall use its best efforts to provide shareholders with all the information necessary or requested for the shareholders to properly act at the general meeting.

c) Compliance with law

The Board shall ensure all laws regarding the rights of the general meeting and of individual shareholders are complied with.

d) Attendance by Board members

Board members shall attend the general meetings unless there are important reasons not to do so.

e) Chairperson of general meetings

The general meetings are presided over by the Chairperson of the Board. Where no Chairperson of the Board has been elected or if, at any general meeting, the Chairperson of the Board is not present within fifteen (15) minutes of the time appointed for the commencement of the general meeting, the Directors present shall elect one of their number to be Chairperson of the general meeting. Where no Director is willing to act as Chairperson, or where no Director is present within fifteen (15) minutes of the time appointed for the commencement of the general meeting, the shareholders present may choose one (1) of their number to be Chairperson of the general meeting.

*f) Disclosure of resolutions*

A resolution of the general meeting shall be publicly disclosed only through a statement from the Chairperson of the Board or the Company Secretary.

*g) Changes to corporate governance*

Any substantial change to the corporate governance structure of the Company shall be submitted to the general meeting for discussion under a separate agenda item.

*h) Attendance by external auditor*

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor attends the general meeting and is available to address the meeting. The external auditor may be questioned by the general meeting in relation to the audit of the Company's financial statements.

## **7. Board meetings and decision-making**

### **7.1. Frequency, notice, agenda and venue of meetings**

*a) Frequency*

The Board shall meet as often as necessary, but not less than four (4) times a year. Meetings shall be scheduled annually in advance according to an annual Board calendar. The Board shall meet earlier than scheduled if deemed necessary by any Board member.

*b) Notice and agenda*

Meetings of the Board are called by the Chairperson. Save in urgent cases, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board members at least five (5) calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The Chairperson shall consult with the CEO prior to convening the meeting on the content of the agenda. Each Board member and the CEO has the right to request that an item be placed on the agenda for a Board meeting, provided that the item is notified to the Chairperson or the Company Secretary at least ten (10) days prior to the meeting or the Chairperson agrees to shorter delays.

*c) Venue*

Board meetings are generally held at the registered office of the Company but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

### **7.2. Attendance of and admittance to meetings**

*a) Attendance by CEO*

The CEO, even where he is not a member of the Board, shall attend Board meetings unless the Board instructs him not to attend. If requested by the Board, other executives shall also attend meetings of the Board in whole or in part.

b) Undue absence

If a Board member is frequently absent from Board meetings, he shall be required to explain such absences to the Chairperson.

c) Attendance by non-members

In case of objection by any Board member with respect to the admission to a meeting of persons other than Board members, the CEO, the Company Secretary and (if invited) other executives, the said admission shall be decided by a majority vote of the Board members present at the meeting.

### 7.3. Chairperson of the meeting

a) Chairperson

Board meetings are presided over by the Chairperson of the Board or, where at meeting of the Board the Chairperson is not present within fifteen (15) minutes after the time appointed for the commencement of the meeting, one of the other Board members designated by a majority vote of the Board members present at the meeting, shall preside.

### 7.4. Decision-making within the Board

a) Preference for unanimity

The Board members shall try to unanimously adopt resolutions. However, Board members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

b) Individual vote

Each Board member has the right to cast one vote.

c) Majority vote, quorum

Where unanimity cannot be reached and the law, the Company's Constitution or this Charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of votes cast. In the event of a tie, the Chairperson of the Board has the deciding vote. Unless otherwise stated in the Constitution of the Company, the Board may only pass resolutions at a meeting if at least six (6) Directors are present or represented.

d) Adoption at meeting

Resolutions of the Board are usually adopted at a Board meeting.

e) Written consent

Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board members and none of them objects to this form of adoption. Adoption of resolutions in writing shall be effected by statements in writing from all the Board members. A statement from a Board member who wishes to abstain from voting on a particular resolution which is adopted in writing must reflect the fact that he does not object to this form of adoption.

*f) Minutes*

Minutes must be drawn for every Board meeting and for every resolution adopted outside a meeting. Draft minutes of meetings shall be circulated as promptly as possible to the Chairperson for validation and to all members of the Board thereafter, usually within a maximum of three (3) weeks following the meeting, unless exceptional circumstances prevent so. The minutes are to be signed by the Chairperson as well as the Company Secretary of the meeting whereby the minutes are being adopted and then added to the Company's records. Each Board member may demand a note explaining how he voted or that a formal declaration by him be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

*g) Certification of resolutions*

A resolution adopted by the Board shall be publicly disclosed only through a statement from the Chairperson of the Board and/or the Company Secretary and/or the CEO.

## **8. Other Provisions**

### **8.1. Conflicts of interest of Board members**

*a) Duty to disclose*

In accordance with the Company's Constitution, a Director shall, forthwith after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, cause to be entered in the Interests Register and disclose to the Board:

- Where the monetary value of the Director's interest is able to be quantified, the nature and monetary value of that interest;
- Where the monetary value of the Director's interest cannot be quantified, the nature and extent of that interest.

*b) Related party transactions*

A potential conflict of interest exists if the Company intends to enter into a transaction with a related party, and the Company shall develop a policy on how to ensure the rights of shareholders are protected during such transactions. A related party includes the following:

- (i) The Board members of the Company, its parent company, affiliated or sister companies and associates;
- (ii) A parent company and any subsidiary or affiliated company that is not wholly-owned;
- (iii) The CEO and key officers, including anyone who directly reports to the Board or the CEO;
- (iv) Any significant shareholder owning or controlling more than 5 % of the voting shares having the ability to control, or exercise a significant influence on, the outcome of the resolutions voted on by shareholders or Board members of the Company, its parent company, affiliated or associated companies;
- (v) The father, mother, sons, daughters, husband or wife of any of the natural persons listed in clauses (i), (ii) and (iii) above;
- (vi) Any business and the Board members, CEO and key officers of any business, in which the natural persons listed in (i) to (v) own jointly or severally at least 5 % of the voting rights; or
- (vii) Any person whose judgement or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in (i) to (vi).

c) Conflicted party

As per the Constitution of the Company, a Board member who has declared his interest in accordance with the Constitution of the Company shall be entitled to vote on any matter relating to the transaction or proposed transaction in which he is interested.

d) Requirements to approve conflicts of interest

All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with Board members require the approval of the Board.

## 8.2. Compensation of Board members

a) Approval by Annual meeting

The compensation of the Board members is approved by the Annual meeting. The Board shall submit proposals on its compensation to the Annual meeting.

b) Reimbursement of costs

Apart from their compensation, Board members shall be reimbursed for all reasonable costs incurred in connection with their attendance to meetings. The reasonableness of such costs shall be approved by the Chairperson of the Board. Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairperson or the Company Secretary on his behalf.

c) Loans and guarantees

The Company and its subsidiaries do not grant personal loans, guarantees or the like to Board members, save as part of its usual business operations.

## 8.3. Induction programme, ongoing training and education

a) Induction programme

Upon his election, each Board member shall participate in an induction programme that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the organisation and its business activities and the responsibilities of a Board member.

b) Review of training

The Board shall conduct a review to identify areas where the Board members require further training or education.

c) Costs to the Company

The costs of the induction course and any training or education shall be paid for by the Company.

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#### **8.4. Other positions**

##### *a) No excess memberships*

Members of the Board shall limit their other positions so as to ensure they can perform their duties as Directors. The letter of appointment of non-executive Directors, including independent Directors, shall clearly state that a sufficient amount of time dedicated to the Company is expected per year.

##### *b) Notice of outside positions*

Board members must inform the Chairperson of the Board and the Company Secretary of their other positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with this Charter. The Company Secretary shall keep a list of the outside positions held by each Board member.

#### **8.5. Confidentiality**

##### *a) Duty to keep information confidential*

Unless required to do so by law, no Board member shall, during his membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and which he knows or should know to be of a confidential nature. A Board member may disclose such information to fellow Board members as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information. A Board member shall not use such confidential information for his personal benefit. For avoidance of doubt in this respect, the Director shall contact the Chairperson of the Board, the Chairperson of the Corporate Governance Committee or the Company Secretary.

##### *b) Confidential information*

At the end of each Board member's term of office, he shall return all confidential documents in his possession to the organisation or guarantee their disposal or storage in a manner that ensures confidentiality is preserved.

##### *c) Notice of disclosure*

If a Board member intends to disclose to third parties information which he has become aware of in his duties and which may be confidential, he must inform the Chairperson of his intent and the identity of the person who is to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements which, in terms of their content and form, are clearly only intended for the Board and to any person attending Board meetings.

#### **8.6. Miscellaneous**

##### *a) Acceptance by Board members*

Anyone who is appointed as a Board member must, upon assuming office, declare in writing to the Company that he accepts and agrees to comply with the provisions of this Charter. A corresponding reference to this extent is included in the Board member's appointment letter.

b) Occasional non-compliance

If permitted by law, the Board may occasionally decide (by unanimous decision) at its sole discretion not to comply with the provisions of this Charter.

c) Amendment

The Charter may be amended by the Board at its sole discretion without prior notification. Any amendment shall be notified to Board members and the revised version of the Charter published on the website of the Company.

d) Partial invalidity

If one or more provisions of this Charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this Charter is, to the greatest extent possible, similar to that of the invalid provisions.

e) Interpretation

In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Board shall be decisive.

Adopted by the Board of Directors this 5 September 2018 and signed on its behalf by:



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**Arnaud Lagesse**  
*Chairperson of the Board*



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**Sylvia Maigrot**  
*Chairperson of the Corporate  
Governance Committee*