

To this end, it carries out the following tasks:

- ▶ in respect of appointments, the Committee:
 - prepares recommendations, in liaison with the Chairman and Chief Executive Officer, regarding the succession of the executive directors and the selection of new directors. In selecting possible directors, the Compensation and Appointments Committee shall consider the desirable balance in the Board's composition, ensure that each candidate has the required capabilities and availability and ensure that the directors have a wide array of experiences and skills necessary to enable the Board of Directors to carry out its duties effectively with the required objectivity and independence vis-à-vis both senior management and a given shareholder or Group of shareholders; and
 - shall be informed of the succession plan concerning members of the Group's Executive Committee;
- ▶ in respect of compensation, the Committee:
 - studies and prepares recommendations regarding both the salary and variable portions of the executive directors' short-term compensation, the granting of medium and long-term incentives such as the distribution of performance-based shares and stock options, and all the provisions regarding their retirement plans and all other in-kind benefits,
 - defines and implements the rules for setting the variable portion of the executive directors' compensation while ensuring that said rules are consistent with the annual appraisal of executive directors' performance and with the Group's medium-term strategy,
 - gives the Board of Directors an opinion on the general stock option allocation and/or share purchase policies and performance-based shares policy and on any plans proposed by the Chairman and Chief Executive Officer. It is informed of and gives an opinion on the compensation policy for members of the Group's executive committee and reviews the consistency of this policy,
 - issues a recommendation to the Board on the overall amount of directors' fees, which is submitted to shareholders for approval. It proposes to the Board the distribution of said directors' fees and the individual amounts of the payments to be made as fees to the directors based on their attendance at Board and Committee meetings,
 - reviews the policy and the projects proposed by the Chief Executive Officer regarding employee share issuances,
 - reviews the insurance coverage taken out by the Company regarding the civil liability of executive directors; and
 - approves the information provided to shareholders in the Annual Report regarding (i) executive director compensation; (ii) the principles and procedures used to set such compensation; and (iii) the granting of stock options to executive directors and the exercise of such options.

Organization of work

The Compensation and Appointments Committee meets at least three times per year. Notices of meeting are issued by the Committee Chairman and include the meeting agenda.

5.1.2.6. Board of Directors' code of conduct

To comply with the best practices of corporate governance, the Company's Board of Directors will adopt a Director's Charter that will apply to every director, irrespective of whether he or she meets the independence criteria set out in the AFEP/MEDEF code of December 2008.

Duty of due care

Directors shall perform their duties in a manner that they consider to be in the best interest of the Company. They shall continuously strive to improve their knowledge of the Group and its business divisions, and shall agree to be bound by a vigilance and reporting duty. They shall devote the appropriate amount of time and attention to their mandate, in particular by attending the meetings of the Committees to which they belong, the meetings of the Board of Directors, and the Shareholders' Meetings.

In addition to complying with the laws and regulations that apply to the holding of multiple directorships, each director is responsible for determining whether his or her duties as a director of the Company are compatible with the directorships or positions that he or she holds in other companies, particularly in light of the amount of work required. Each director shall periodically inform the Company of the directorships that he or she holds in any other company in order to allow the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

Directors have the duty to request the information that they deem necessary to perform their duties from the Company's management via the Chief Executive Officer or, if applicable, the Board Secretary. They shall have the right to meet with the Company's principal executives, whether or not in the presence of the Chief Executive Officer, after having requested such a meeting of the Chief Executive Officer.

When a new director is appointed, the Board Secretary shall provide him or her with an information package containing the Company's bylaws, the Directors' internal code, the Directors' Code of Conduct, and the main legal statutes defining the liability of directors.

Directors may consult the Board Secretary at any time regarding the application of these statutes and regulations and the rights and obligations incumbent upon him or her.

Independence of directors and conflicts of interest

Directors shall strive to remain independent at all times with respect to their analysis, judgment, decisions and actions.

Directors agree not to seek out or accept any benefit that may compromise their independence.

Any director who is – even potentially – in a position that is in direct or indirect conflict with the interests of the company as a result of the positions that he/she holds, and/or any other interests in his/her possession, shall inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. He/she shall not participate in the deliberations and if applicable, the vote, concerning these matters and may be asked to leave the Board meeting when such matters are under deliberation.

Upon his or her appointment, and every year thereafter by January 31 at the latest, each director must prepare a sworn statement disclosing any existing relationships between him or her and the Group's companies, managers, suppliers, customers, partners or competitors. This statement must be sent to the Chief Executive Officer with a copy to the Secretary of the Board of Directors.

Duty of discretion and confidentiality

Directors shall be bound by a general duty of discretion and confidentiality in the interest of the Company. To that end, they agree to be responsible for maintaining the professional secrecy of all the confidential information to which they have access, the resolutions and the operation of the Board of Directors and of any Committees to which they may belong, as well as the content of the opinions issued or votes cast during Board or Committee meetings.

In addition, the directors, other than the Chief Executive Officer or Deputy Chief Executive Officer who, in these capacities, are required to speak on behalf of the Company, must liaise with the Chief Executive Officer prior to engaging in any personal communications with the media on matters concerning or which are likely to affect the Group, the Company or its governing bodies.

Trading in Company securities by the directors

Directors have access to insider information. Such information, if made public, could impact the price of the Company's shares or any other securities issued by the Company. Pursuant to the applicable statutes and regulations, the directors must:

- ▶ refrain from using insider information to trade such securities either directly or via an intermediary;
- ▶ not knowingly allow a third party to carry out such trading;
- ▶ not disclose such information to third parties even unintentionally.

In addition, without prejudice to the statutes and regulations that apply to insider trading, periods known as "blackout periods" are identified each year. During such periods, directors must not trade the Company's shares or any other securities issued by the Company (including the exercise of stock options), either directly or via an intermediary, even via the trading of derivatives. These periods shall cover (i) 30 calendar days prior to the date of publication of the annual and interim consolidated financial statements, as well as the date of these publications and the following day, and (ii) 15 calendar days prior to the date of the publication of quarterly revenue figures, as well as the date of these publications and the following day.

The exact dates of the "blackout periods" shall be disclosed each year to the directors by the Board Secretary. If specific "blackout periods" are set up in connection with financial or strategic transactions, the directors shall be informed immediately thereof by the Board Secretary.

Directors may not hedge the risks of losses on the Company shares or stock options they own.

Each director shall be responsible for reporting to the French securities regulator (*Autorité des Marchés Financiers*) and the Company (through of the Board Secretary) any trading involving the Company's shares or any other securities issued by the Company and carried out by him or her or individuals that are closely related to him or her, pursuant to applicable statutes and regulations.

Directors may consult the Board Secretary at any time regarding the scope of the "negative windows" system and the conditions of its application to any specific case.

5.2. Shareholders' Meetings

5.2.1. NOTICE OF SHAREHOLDERS' MEETINGS (ARTICLE 23 OF THE BYLAWS)

Shareholders' Meetings shall be convened as provided for by law.

Pursuant to applicable laws and regulations, all shareholders may participate in Meetings in person or by proxy, provided that they submit evidence of ownership of their shares. Share ownership is evidenced by an entry in the Company's share register in the name of the shareholder, or if the Company's shares are admitted for trading on a regulated market, of the intermediary acting on his/her behalf in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code on the third business day prior to the date of the meeting at 0:00 (Paris time), or if the Company's shares are admitted for trading on a regulated market, in the register of bearer shares held by one of the accredited intermediaries mentioned in paragraphs 2 to 7 of Article L. 542-1 of the French Monetary and Financial Code.

In the case of bearer shares, the accredited intermediary shall provide a certificate attesting to the shareholders' ownership of the shares, in accordance with applicable laws and regulations.

The meetings shall take place at the Company's registered office or at any other venue specified in the notice of meeting.

5.2.2. ORGANIZATION OF SHAREHOLDERS' MEETINGS (ARTICLE 24 OF THE BYLAWS)

All shareholders have the right to attend or be represented at Shareholders' Meetings, as provided by law.

They may vote by proxy in accordance with Article L. 225-107 of the Commercial Code. The proxy and postal voting form may be sent to the Company or to the Company's registrar in paper form or, by decision of the Board of Directors published in the notice of meeting, by electronic mail in accordance with applicable laws and regulations.

In addition, if the Board of Directors so decides when the Meeting is called, shareholders may take part in the Meeting via videoconference or any other form of telecommunication means that enables them to be identified, as provided for in the applicable laws and regulations. Such shareholders will be deemed to be physically present for purposes of calculating the quorum and voting majority.

To cast a vote or execute a proxy by electronic means, shareholders or their duly authorized representative or attorney must either:

- ▶ provide a secure electronic signature fulfilling the requirements of applicable laws and regulations;
- ▶ enter a unique username and password on the Company's website, if such a website exists, in accordance with applicable laws and regulations. This type of electronic signature shall be considered a reliable mechanism for identifying shareholders and their votes, in compliance with the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director designated by the Board. Otherwise, the meeting elects its own Chairman.