

Terms of reference

The Commitments Committee is responsible for preparing Board meetings and making recommendations to the Board on the following matters:

- any transactions that have a material impact on the Group's strategy or lead to a material change in the Group's business base (mainly entry in a new business or withdrawal from an existing business), whatever the amount of the commitment;
- mergers, demergers or asset transfers;
- changes to the Company's corporate purpose;
- any immediate or deferred financial commitments of the Company or a Group company representing more than €50 million per transaction. "Financial commitments" are defined as:
 - acquisitions or disposals of business units, assets or majority or minority interests in non-controlled entities within the meaning of Article L.233-3 I and II of the French Commercial Code by the Company or a Group company; in the latter case, the entity's enterprise value is used as a basis for determining the amount of the commitment,
 - any and all direct investments, for example for the creation of a business, business unit, subsidiary or expenditure on technological developments,
 - lease commitments, the amount of the commitment being measured on the basis of the market value of the leased asset,
 - loans, advances or capital increases in non-controlled entities within the meaning of Article L.233-3 I and II of the French Commercial Code, by the Company or a Group company, and
 - bilateral or syndicated borrowings (i) not consistent with or in compliance with the annual Group financing strategy as previously approved by the Board of Directors or (ii) in excess of €250 million. The Commitments Committee's prior approval is not required for borrowings due in less than one year, whatever the amount borrowed.

Meetings

Meetings of the Committee may be called at any time, in writing or verbally, by the Committee Chairman.

The Commitments Committee meets whenever necessary, including prior to Board meetings whose agenda includes matters within its purview. The Committee's recommendations must be endorsed by the Board of Directors before the related commitments are entered into by the Group.

Compensation and Appointments Committee

Members

As of December 31, 2015, the Compensation and Appointments Committee members were Françoise Gri, Philippe Citerne, Gabriele Galateri di Genola and Nadra Moussalem.

The Committee is chaired by Françoise Gri, independent director. Three-quarters of its members are considered by the Board as being

independent directors based on the criteria in the AFEP-MEDEF Corporate Governance Code.

The Executive Director cannot be a member of the Compensation and Appointments Committee. However, the Executive Director works with the Committee to review candidates for election as directors or the Executive Director's succession plan. The Executive Director also participates in the Committee's review of the compensation policy for members of the Group Executive Committee.

Terms of reference

The Compensation and Appointments Committee's role is to prepare the Board of Directors' decisions on the determination of the Executive Director's compensation and benefits and the Group's policy with respect to stock option plans or performance share plans.

It also participates in preparing senior management succession plans. To this end, the Committee makes proposals and recommendations to the Board in the areas described below.

- regarding appointments, the Committee:
 - makes recommendations, in liaison with the Chief Executive Officer, regarding the appointment, termination and re-election of directors, the Chairman of the Board and the Vice-Chairman or Chairmen, and organizes the selection of candidates for election as directors so as to take into consideration the need for balance in the Board's membership and ensure that each candidate not only has the required capabilities but is also in a position to devote sufficient time to the Board's business. The objective is for directors to have the range of experience and skills necessary to enable the Board to carry out its duties effectively with the required objectivity and independence vis-à-vis both Executive Management and any given shareholder or group of shareholders,
 - expresses its opinion on the appointment or re-election of the members of the Audit and Risks Committee, the Chairman of the Audit and Risks Committee and the members of the other Committees,
 - establishes a succession plan for the Executive Director, to be able to propose succession solutions to the Board of Directors in the event of an unforeseen vacancy,
 - proposes the qualification of independent director for the directors concerned, ensures compliance with the independence criteria within the meaning of the AFEP-MEDEF Corporate Governance Code, expresses an opinion on this issue, if appropriate, and advises the Chairman on the number of independent directors,
 - is informed of the succession plan concerning members of the Group's Executive Committee;
- regarding compensation and benefits, the Committee:
 - examines and makes recommendations on the Executive Director's short-term compensation (salary and bonus), medium- and long-term incentives such as performance shares and stock options, pension arrangements and all other in-kind benefits,

- proposes and monitors the implementation of the rules for setting the Executive Director's bonus, while ensuring that the rules are consistent with the annual appraisal of the Executive Director's performance and with the Group's medium-term strategy,
- expresses an opinion to the Board of Directors regarding the general stock option and performance share policy,
- is informed of and expresses an opinion on the compensation policy for members of the Group Executive Committee,
- issues a recommendation to the Board of Directors on the overall amount of directors' fees to be submitted to shareholders for approval. It makes proposals to the Board of Directors concerning the fee allocation rules and the individual amounts to be paid to each director based on their attendance at Board meetings and, where applicable, meetings of Committees of the Board,
- reviews the policy regarding employee share issues and any such issues proposed by the Chief Executive Officer,
- reviews liability insurance cover taken out by the Company on behalf of the Executive Director,
- expresses an opinion on the information provided to the shareholders in the Annual Report regarding i) the Executive Director's compensation; ii) the principles and methods used to set such compensation, and iii) stock options or performance shares granted to the Executive Director.

Meetings

The Compensation and Appointments Committee meets at least twice a year and whenever necessary, including prior to Board meetings whose agenda includes matters within its purview. Calls to meetings are issued by the Committee Chairman and include the meeting agenda.

5.2.2.6 Director's Charter

Under Article 1.6 of the Board of Director's Internal Regulations, the Board of Directors, a collegial body, must act at all times in the Company's interest.

Directors perform their duties with loyalty and professionalism in accordance with the Director's Charter adopted by the Board of Directors at its meeting of June 29, 2010 to comply with the best practices of corporate governance. The Director's Charter, which describes the ethical principles applicable to directors, in accordance with the applicable laws and regulations and the Company's bylaws, applies to all directors regardless of whether they meet the independence criteria set out in the AFEP-MEDEF Corporate Governance Code.

Duty of due care

Directors must carry out their duties as they see fit in the best interests of the Company. They must be committed to constantly improving their knowledge of the Group and its businesses, and

they have a duty of vigilance that includes reporting any problems of which they may become aware. They must devote the necessary time and attention to their duties as a director, making every effort to attend all meetings of the Committees to which they belong, meetings of the Board of Directors and Shareholders Meetings.

In addition to complying with the legal and regulatory provisions related to multiple directorships, directors must make sure that their duties as director of the Company are compatible with the directorships or positions that they hold in other companies, in particular as regards the workload. Directors are required to disclose periodically to the Company the directorships that they hold in any other company in order to enable the Company to comply with its statutory disclosure obligations in this regard.

Duty of information

Directors have a duty to request the information that they consider necessary to carry out their duties from the Company's management *via* the Chairman and Chief Executive Officer or the Board Secretary. They can ask the Chairman and Chief Executive Officer to arrange meetings for them with members of the Group's senior management, to be held with or without the Chairman and Chief Executive Officer being present.

When a new director takes up office, the Board Secretary provides him/her with an information pack containing the Company's bylaws, the Board of Directors' Internal Regulations, the Director's Charter, as well as the principal laws and regulations dealing with directors' responsibilities.

Directors may ask the Board Secretary at any time for explanations of the scope of these laws and regulations and their resulting rights and obligations.

Transparency and preventing conflicts of interests

Directors are expected to demonstrate a high level of independence in all circumstances, in terms of their analyses, judgments, decisions and actions.

They agree not to solicit or accept any benefit that would be likely to affect their independence.

Any director that is directly or indirectly in a position of a conflict of interest – even potentially – with respect to the interest of the Company because of the positions that he/she holds, and/or any interests that he/she has elsewhere, must inform the Chairman and Chief Executive Officer or any individual designated by the Chairman and Chief Executive Officer. A director in a position of a conflict of interest may not take part in the discussion of the matter concerned or the related vote and may therefore be asked to leave the room while the discussion and vote are taking place.

When they are first elected and every year thereafter, no later than January 31, directors are required to disclose in writing all ties that they have with Group companies, their managers, suppliers, customers, partners or competitors. The disclosure document is sent to the Chairman and Chief Executive Officer with a copy to the Board Secretary.