



Compagnie Financière Richelieu

## **INTERNAL RULES OF THE BOARD OF DIRECTORS**

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### **Preamble**

The purpose of these Internal Rules of the **Board of Directors** of Compagnie Financière Richelieu (hereinafter "the CFR") is to define the methods of organization and operation of this governance body, but also to clarify its duties and determine the rights and obligations of its members, in addition to the CFR's provisions of the statutes. The rights and duties are also materialized by appendix 2 Code of Ethics of the Board of Directors of these internal rules.

The internal rules are for internal use only and are not part of the Company's articles of association. They are not enforceable against third parties and cannot be invoked by shareholders or third parties against the Directors of the Company.

Each Director is individually required to comply with the Internal Regulations.

The Board of Directors has overall responsibility for the Company. It sees that the activity is ensured and the continuity of the activity is preserved through a solid internal governance system. These internal rules concern the directors of the Board of Directors, which include the directors and the permanent representatives if one or more directors are a legal entity.

### **Management structure**

The Board of Directors reports to the General Meeting of Shareholders ("General Meeting") and is responsible to the shareholders, in accordance with applicable laws and the Articles of Association.

<b>COMPOSITION AND QUALIFICATION OF THE BOARD OF DIRECTORS</b>
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The members of the Board of Directors must be sufficient in number and present as a whole an adequate composition which allows the Board of Directors to fully discharge all responsibilities. Suitability refers in particular to the professional skills (knowledge, understanding and experience) as well as the personal qualities of the members of the Board of Directors.

## **Composition**

In accordance with "Title III - Administration and control of the company - Article 12 "Board of Directors" of the CFR statutes: the Board of Directors is "*composed of at least three members and no more than eighteen members, under subject to the derogation provided for by law in the event of a merger*".

## **Chairman of the Board of Directors**

The Board of Directors appoints a Chairman from among its members and determines the duration of his term of office, in accordance with the articles of association.

The Chairman will be responsible, in particular, for promoting a culture of informed and contradictory discussion within the Board of Directors.

## **Qualifications required to be a Director**

The directors of the Board are not required to hold, in their own name, one (1) share of the Company.

## **Appointment, cooptation and renewal of the members of the Board of Directors**

Directors are appointed by the Ordinary General Meeting of shareholders in accordance with the articles of association.

The articles of association of CFR also allow the Directors to complete each other validly in the event of a vacancy, subject to subsequent ratification of their choice by the general meeting.

Thus, the Articles of Association stipulate that "*in the event of a vacancy due to death, resignation or any other cause and, in general, when the number of directors is less than the maximum fixed above, the Board has the option of being temporarily completed, if he deems it useful. In this case, the appointment of the provisional members must be ratified by the next General Assembly*".

## **Term of office**

In accordance with Article 12 of the Articles of Association, "*The term of office of Directors is six years. They end at the end of the Ordinary General Meeting called to approve the accounts for the past financial year and held in the year during which their term of office expires.* »

## **Multiple mandates**

The number of directorships is limited to five in accordance with the applicable regulations. Consequently, the Directors must inform the Board of Directors annually of the terms of office held outside of those exercised within the CFR and those exercised within the Richelieu Group.

The members of the Board of Directors therefore ensure that their term of office as Directors is and remains compatible with their other jobs and interests, in particular in terms of conflicts of interest and availability.

### **Qualification of the members of the Board of Directors**

Each member must prove his professional integrity. The guiding principles governing the election and succession of directors explain and establish the powers necessary to ensure an appropriate composition and qualification of the Board of Directors (article L.511-51 and 52 of the Monetary and Financial Code).

The Board of Directors must have as a whole a competence appropriate to the nature, scale and complexity of the activities and organization of the CFR.

The Board of Directors must have a perfect understanding of all the activities (and the risks inherent in them) as well as of the economic and regulatory environment in which the Company operates.

The members of the Board of Directors must individually have a perfect understanding of the internal governance system and of their responsibility within the Company. They master the activities that fall within their area of expertise and have a good understanding of the other significant activities of the Company.

The members of the Board of Directors ensure that their personal qualities enable them to perform their duties as directors effectively with the commitment, availability, objectivity, critical thinking and independence required. As such, the Board of Directors cannot count among its members a majority of persons who assume an executive role within the Company.

### **Professional training of directors**

Each Director receives, upon appointment and throughout his term of office, training which he deems necessary for the exercise of his term of office, in order to enable him to update and deepen the skills required during his term of office.

These training sessions are organized and offered by the Company and are at its expense.

Directors are also invited to participate in external training sessions provided, in particular, by professional organizations or external service providers, provided that they inform the Secretary of the meeting.

### **Information of new Directors**

When a director resumes his duties, the Secretary of the Board of Directors handles him a file containing, in particular, the articles of association and these internal rules accompanied by their appendix 2 called "Code of ethics of the Board of directors". All directors ensure that they are aware of and comply with the obligations imposed on them by the legal, regulatory and statutory provisions as well as by these internal rules.

## MISSION OF THE BOARD OF DIRECTORS

The Board of Directors deliberates on matters falling within its competence under the law and the Articles of Association.

The Board of Directors determines the orientations of the Company's activity and ensures their implementation.

Subject to the powers expressly vested in the General Meetings and within the limits of the corporate purpose, it may address any issue involving the smooth running of the Company and settle, through its deliberations, any business in relation thereto.

The Board of Directors monitors the implementation by the General Management of its strategies and guiding principles in terms of internal governance. As such, it must approve the policies drawn up by General Management in accordance with the procedures described in point D of appendix 2 of the Code of Ethics.

The Board of Directors critically assesses and approves at regular intervals and, or at least once a year, the internal governance system of the Company. These assessments and approvals aim to ensure that the internal governance system continues to meet the requirements of the supervisory authorities and the objectives of effective, sound and prudent management of activities.

It is the responsibility of the Board of Directors to promote an internal risk culture which makes the personnel of the establishment aware of the imperatives of sound and prudent risk management and which promotes a positive attitude with regard to internal control and compliance and to stimulate the development of a governance system that makes it possible to achieve these objectives.

## FUNCTIONING OF THE BOARD OF DIRECTORS

### **Collegiality**

The Board of Directors is a collegial body. Directors exercise their functions collectively, vested by law and the articles of association to the Board of Directors.

### **Information provided to the directors**

The Directors shall receive, before the meeting, and within a reasonable time, the agenda for the meeting of the Board of Directors as well as the elements necessary for their reflection, except in exceptional circumstances.

They are informed at all times between meetings of the Board of Directors if necessary.

The directors must be able to meet with the Company's main executives, even outside the presence of the company representatives, if nevertheless these have been informed beforehand.

### **Chairman of the session**

Meetings are chaired by the Chairman or, in his absence, by the Vice-Chairman appointed during the meeting or, in his absence, by the longest-serving member of the Board.

### **Meetings and Convocations of the Board of Directors**

The Board of Directors meets at least four (4) times a year on a regular basis and whenever circumstances so require, when convened by its Chairman, the Chief Executive Officer or a Deputy CEO, at the registered office or at any other place indicated in the invitation.

The Board of Directors may meet by verbal notice if all the Directors in office are present or represented at this meeting (art. 15 § 3 of the articles of association).

### **Quorum - Deliberations of the Board of Directors**

The Board of Directors deliberates only on the questions appearing on the agenda.

Regardless of the convening notice, at least half of the members of the Board of Directors must be present or represented for the validity of the deliberations without however the number of Directors actually present being able to be less than two.

Any Director may authorize one of his colleagues to represent him at a Board meeting, but each Director may only represent one of his colleagues (art 14§5 of the articles of association).

Deliberations are taken by a majority of the votes of the members present or represented, each Director having one vote and each Director present having only one power.

In the event of a tie, the Chairman has the casting vote (art 14 of the articles of association).

### **Minutes of the meeting**

In accordance with article 14 of the statutes "Article 14 - Deliberations of the Board" of the CFR, minutes are drawn up of the deliberations at each meeting of the Board of Directors, in accordance with the legal provisions in force.

Copies or extracts from these minutes are certified by the Chairman of the Board of Directors or the Chief Executive Officer, the director temporarily delegated to the duties of the Chairman or a proxy authorized for this purpose.

### **Participation by means of video-conference or telecommunication in the Board meetings**

In accordance with the provisions of Article 14 of the Company's Articles of Association, the Chairman of the Board may authorize the participation of one or more Directors by means of videoconference or telecommunication in Board meetings.

## **1. Quorum and majority**

Directors participating in the Board meeting, by means of a videoconference or telecommunication which transmit at least the voice of the participants and present technical characteristics allowing the continuous and simultaneous retransmission of the deliberations, are deemed present for the calculation of the quorum and majority, in accordance with article R225-21 of the Code of Commerce.

## **2. Prohibition of the use of videoconferencing or telecommunications for certain decisions (except in the event of force majeure and/or regulatory provisions allowing it)**

However, in compliance with article L.225-37 paragraph 3 of the Code of Commerce, the aforementioned provision is not applicable when the Board is convened to deliberate on the transactions referred to in articles L.232-1 and L.233-16 of the Code of Commerce, namely:

- a. Preparation of the annual accounts and the management report and;
- b. Where applicable, preparation of the consolidated financial statements and the group management report, if not included in the annual report.

## **3. Mention on the attendance register**

In compliance with article R.225-23 of the Code of Commerce, the minutes of the meeting must indicate, in addition to the names of the Directors participating, excused or absent, the names of the Directors deemed present under the conditions of this article 1.

It must report the possible occurrence of a technical incident relating to a videoconference or a telecommunication where this incident disrupted the meeting.

### **Remuneration:**

The Board of Directors proceeds, if necessary, on the proposal of the General Meeting, to the distribution of the annual amount of the remuneration of the Directors allocated by the said General Meeting.

### **Board process assessments**

The Board of Directors regularly assesses the procedures governing the Board of Directors, its mode of operation and its work in order to improve them, ensure their effectiveness and verify that the procedures applicable to it are complied with in practice.

<b>BOARD COMMITTEES</b>
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### **Specialized Committees**

The deliberations of the Board of Directors may be prepared, in certain areas, by specialized Committees, made up of directors appointed by the Board of Directors who investigate the matters falling within their remit and submit their opinions and proposals to the Board of Directors.

These Committees, created by the Board of Directors, act under its ultimate responsibility.

The Committees may, in the exercise of their respective powers, request the communication of any relevant information, hear the executive corporate officers and senior managers and, request the performance of external technical studies subject to the prior authorization of the Board of directors. They report on the information obtained from the opinions collected.

The Board of Directors must ensure that the specialized Committees can interact effectively and regularly with the Board. They are chaired by one of their members appointed by the Board of Directors. The chairs of these committees must have in-depth knowledge of the field of activity of the committee they chair.

No Standing Committee has been created by the Board on the date of approval of these Regulations.

### **Ad hoc committees**

The Board of Directors may create one or more "Ad hoc" Committees. These temporarily constituted committees assist it on specific issues ("ad hoc committees"). The composition, powers, responsibilities and working method of the ad hoc committees are determined by the Board of Directors.

The lifespan of these ad hoc Committees ends after the completion of the mission assigned to them by the Board of Directors or on the date indicated by the Board.

### **Modification of the internal rules**

These internal rules may be amended by decision of the Board of Directors, being specified however that the provisions of these internal rules which include some of the provisions of the articles of association may only be modified insofar as the corresponding provisions of the articles of association have been modified beforehand by the Extraordinary General Meeting of the CFR Shareholders.



Compagnie Financière Richelieu

**APPENDIX 1**

**LISTE OF DIRECTORS OF THE BOARD OF DIRECTORS**

**OCTOBER 2021**

<b>NAME</b>	<b>FIRST NAME</b>	<b>POSITION</b>
SEHNAOUI	Antoun	Chairman
DAVID	Jacques-Henri	Director
de FONTAINE VIVE	Philippe	Director
SANCHEZ-INCERA	Bernardo	Director
Société Générale de Banque au Liban S.A.L. (SGBL)		Director