

MERCIALYS

Audit, Risk and Sustainable Development Committee Charter

During its meeting on August 22, 2005, the Board of Directors set up an Audit Committee, which changed its name on October 24, 2017 to the Audit, Risk and Sustainable Development Committee.

The Charter has been amended to notably ensure compliance with French legislation, European regulations and the new recommendations from the AFEP-MEDEF code.

In accordance with the Board of Directors' rules of procedure, the Audit, Risk and Sustainable Development Committee has consolidated and clarified its organizational and operational guidelines.

The Audit, Risk and Sustainable Development Committee has therefore drawn up this Charter, which presents the organizational and operational guidelines and the responsibilities and missions set by the Board of Directors, and it has also incorporated the good corporate governance principles that the Company has decided to implement.

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I. Audit, Risk and Sustainable Development Committee organization and operations:

1.1. Composition:

The Committee has a minimum of three members, appointed by the Board of Directors, with at least two thirds independent in accordance with the criteria proposed by the AFEP-MEDEF code. The members must have financial or accounting expertise. The Committee's members cannot include any executive corporate officers.

The members are appointed in a personal capacity and cannot be represented by others.

The Committee Chairman is appointed by the Board of Directors from among its members, as proposed by the Appointments, Compensation and Governance Committee.

The Committee members serve for a fixed term of office set by the Board of Directors, although they may resign or the Board may ask them to stand down before the end of this period.

1.2. Meetings:

The Committee meets at least three times a year, as convened by its Chairman, who may organize any additional meetings when required.

The Committee may also meet at any other time when requested by at least half of its members or if requested by the Chairman of the Board of Directors or the Executive Management team. Meetings are held at any location indicated in the notice to attend distributed by any means by the Chairman or, in his/her name, by any person appointed by the Chairman. The Chairman or his/her delegated representative prepares an agenda for each meeting that is provided to each Committee member in advance.

Meetings are chaired by the Committee Chairman. If the Committee Chairman is absent, the Committee appoints, for each session, one of its members who is present to chair the meeting.

The Committee members attend all the meetings, with the option if they are unable to attend in person to take part via a conference call or videoconference or using any other telecommunications resources making it possible to identify the members concerned and guarantee their effective participation in meetings.

The Committee is considered to have met under valid conditions if at least half of the members participate in it.

The Committee's opinions are based on a simple majority of the Committee members who are present, while the Committee Chairman or, if applicable, the chairman of the meeting has a casting vote in the event of a tied vote.

The minutes of each meeting will be drawn up under the authority of the Committee Chairman, or the chairman of the meeting if applicable, and sent to the Committee members. They are also made available to all Board members once they have been approved by the Committee.

The Committee Chairman or, if applicable, the chairman of the meeting presents a report to the Board of Directors on the Committee's work, research and recommendations, and the Board of Directors has full responsibility and discretion to decide on the next steps that it intends to take based on them.

To prepare and hold its meetings, the Committee is assisted by the Board of Directors' secretary.

1.3. Resources:

- 1.3.1. When they are appointed, or if requested by them, the Committee members are provided with information on the specific accounting, financial and operational features of the Company and its subsidiaries.
- 1.3.2. Liaising with Executive Management, the Committee is able to count on the cooperation and participation of all the functional departments of the Company and its subsidiaries, including the finance, corporate social responsibility (CSR), accounting, internal control, management control and legal departments.
- 1.3.3. The Committee has the material and financial resources required to perform its mission, with the corresponding costs covered by the Company.
- 1.3.4. Each Committee member is entitled to reimbursements for expenses incurred in connection with their mission. The Board of Directors may also decide to award specific or exceptional remuneration to the Committee members.

1.4. Committee's powers:

- 1.4.1. The Committee is authorized to obtain any information, reports and analysis from the executives and their employees concerning the Company and its subsidiaries that it considers necessary to perform its mission. It also has the right to contact and organize any meetings required with the Financial Department of the Company and its subsidiaries, after notifying Executive Management beforehand, as well as with the statutory auditors of the Company or its subsidiaries, as required. Dialogue between the Committee members and the Company's Statutory Auditors, without the presence of the operational departments, is organized each year.

The Committee is authorized to carry out or ask the Executive Management team to carry out any investigations or audits on any subjects within its area of responsibility.

Liaising with Executive Management and the functional departments, the Committee may formalize any methodological documents required for its missions.

- 1.4.2. The Committee is authorized to request any advice or opinions from any independent experts or consultants if it considers this necessary.

The Committee may invite the consultants or experts of its choice to attend its meetings. It may also decide to invite any other people of its choice to its meetings as required. Only the Committee's members can take part in its deliberations.

- 1.4.3. Under the Committee's remit, it cannot be delegated any powers awarded to the Board of Directors by the law or the articles of association and cannot limit Executive Management's powers in any way.
- 1.4.4. Within this framework, the Committee issues opinions and recommendations when it considers this relevant, but it does not have any power to take decisions in its own name or on behalf of the Board of Directors.

II. Audit, Risk and Sustainable Development Committee's missions and remit:

The Committee assists the Board of Directors with its mission to review and approve the full-year and half-year financial statements, as well as in connection with any operations, developments or events that might have a significant impact on the situation of the Company or its subsidiaries in terms of commitments and/or risks.

In accordance with Article L. 823-19 of the French commercial code (*Code de commerce*), under the exclusive and collective responsibility of the Board of Directors, it oversees matters relating to the preparation and control of accounting and financial information.

Without prejudice to the responsibilities of the administrative and executive management structures, the Committee's responsibilities include monitoring:

- The process to prepare financial and sustainability reporting information;
- The efficiency and effectiveness of the internal control and risk management systems;
- The sustainable development policy and its implementation;
- The statutory auditors' missions and situation.

2.1. Review of the accounts and financial statements:

- 2.1.1. The Committee reviews the full-year and half-year financial statements of the Company and its subsidiaries, and the corresponding reports before they are approved by the Board of Directors. It ensures that these financial statements are consistent with the information that it is aware of by other means, considering the appropriate nature of the accounting principles and choices used and their compliance with the accounting standards in force.

In connection with its mission to monitor the process to prepare financial information, it issues recommendations, when needed, to ensure its integrity.

It reviews the draft annual and half-year reports prepared for the close of accounts, considering the quality and exhaustive nature of the information provided.

The Committee's role is to provide the Board of Directors with clarifications concerning the way that the Group's financial statements are prepared and the internal control systems contributing to their production.

It reviews the conditions for the close of accounts, as well as the type, extent and outcome of work carried out by the statutory auditors for this occasion in the Company and its subsidiaries.

For the half-year and full-year close of accounts and their reporting, it is provided with information concerning significant off-balance sheet commitments and risks.

- 2.1.2. With the statutory auditors, the Committee also reviews the results of their audits, the potential difficulties encountered during their work and, if applicable, the differences of opinion identified with the accounting and finance departments.
- 2.1.3. The Committee is authorized to examine and review all the financial statements produced by the Company's subsidiaries: profit and loss and balance sheets, notes, financing statements, cash and debt positions, off-balance sheet commitments. It may carry out or commission any analysis and related reports.
- 2.1.4. The Committee analyzes the main accounting subjects, particularly those relating to operations that are complex, unusual or involve a significant percentage of interpretation.

It takes note of legal and regulatory developments, as well as any necessary adaptations and adjustments in terms of accounting standards, analyzing their impacts on the financial statements.

If applicable, and subject to the confidentiality rules applicable, it is in contact with the Audit Committees and the statutory auditors of the companies that control the Company.

- 2.1.5. The Committee may review draft versions of press releases concerning the full-year and half-year accounts prepared by the Executive Management team and ensures their consistency with the accounting statements and documents.

The Committee may also review other financial information provided to financial analysts and rating agencies.

2.2. Statutory auditors:

2.2.1. The Committee is involved in the procedure to select the statutory auditors for the Company and its subsidiaries. In this capacity, it submits proposals to the Board concerning whether or not to use a tender procedure. When required, it supervises the call for tenders and approves the specifications and the choice of firms consulted.

It issues recommendations concerning the candidates to be submitted for appointments or reappointments by the General Meeting, which are brought to the attention of the Board of Directors and drawn up in accordance with the corresponding regulations.

2.2.2. The Committee ensures that the statutory auditors comply with the independence conditions defined by the corresponding legislation. Each year, it collects their statement of independence, reviews all their dealings with the Company and its subsidiaries, as well as with the companies that control it, and reviews and issues an opinion on the fees charged. When relevant, it analyses the risks concerning the statutory auditors' independence and the safeguard measures applied to mitigate these risks.

2.2.3. The Committee approves services other than account certification that may be provided by the statutory auditors or members of their network in accordance with the relevant legislation. It defines the procedure for approval under the conditions set by the relevant authorities, when applicable.

2.2.4. The Committee monitors the statutory auditors' performance of their mission. Working with them, it reviews their scope, their audit plan and coordination with the various accounting and finance departments.

It reviews and assesses the results of the statutory auditors' work, the content of reports presenting the results of the legal audit of the accounts prepared for the Committee in accordance with the corresponding legislation, their opinions and recommendations, as well as the follow-up actions taken based on them.

2.2.5. The Committee is in regular contact and holds separate meetings, if required, with the statutory auditors and, at least once a year, during meetings that are not attended by the Company's representatives.

2.2.6. The Committee ensures that the approach for co-auditors is effective.

2.2.7. The Committee also reports to the Board of Directors on the results of the mission to certify the accounts, the way this mission has contributed to the integrity of the financial information, and its role in this process.

2.3. Monitoring of the efficiency and effectiveness of the internal control and risk management systems:

2.3.1. The Committee monitors the efficiency and effectiveness of the internal control and risk management systems in relation to the procedures for the preparation and processing of accounting, financial and sustainability reporting information, without infringing on its independence.

2.3.2. The Committee is responsible for checking that the Company and its subsidiaries have relevant, structured internal audit, accounting and legal resources in place with a view to identifying, detecting and preventing, assessing, managing and controlling the risks, anomalies, irregularities or malfunctions that might have a significant impact on the Company's portfolio and its accounting and financial information.

The Committee ensures that the internal control arrangements operate effectively concerning the preparation and processing of accounting, financial and sustainability reporting information. It monitors the identification of risks, their analysis and their development over time, as well as the actions taken. It reviews the management team's reports concerning the efficiency and effectiveness of the financial control, financial reporting and risk management systems. When applicable, it ensures that action plans are implemented.

The Committee also looks into the existence, reliability, efficiency and effectiveness of the internal control and risk management systems with the Executive Management team, the Administration and Finance Department, and the statutory auditors. It ensures that the control systems are based on a recognized frame of reference (COSO, AMF, etc.).

The Committee reviews the cybersecurity arrangements and handles cyberthreat issues at Company level.

2.3.3. With the Executive Management team and the Chief Financial Officer, the Committee reviews the operational conditions and methods for controlling risks.

When relevant, the statutory auditors inform the Committee of the type and extent of any anomalies identified in the accounts, any significant shortcomings with internal control concerning the procedures for the preparation and processing of accounting and financial information.

2.3.4. The Committee ensures that there are no restrictions concerning the scope for action to control risks.

The Committee assesses the efficiency and effectiveness of the audit function within the Company and its subsidiaries, as well as the relevance and quality of the methods, arrangements and procedures used. It ensures the qualitative and quantitative suitability of the resources allocated.

- 2.3.4. It reviews the risk map. It is involved in developing risk control arrangements and monitors their execution; it reviews the reports prepared by the Finance Department, the Risk Prevention Committee and any advisors or experts appointed, as well as any recommendations issued and follow-up actions taken by the Board of Directors or the Executive Management functions concerned.

The Committee ensures that risk assessment is a significant element within the process to organize and plan the work to control risks.

- 2.3.5. The Committee reviews the report prepared each year by the Chairman of the Board of Directors concerning the internal control and risk management procedures, as well as the corresponding statutory auditors' reports if applicable.
- 2.3.6. The Committee is in regular contact with the Chief Financial Officer.

2.4. Monitoring of the sustainable development policy and its implementation:

- 2.4.1. The Committee reviews the sustainable development policy defined by the Executive Management team and its implementation.
- 2.4.2. The Committee reviews the risks relating to sustainable development based on the risk map, as well as the means of control put in place by the Company. It monitors the process for drawing up sustainability information and reviews the sustainability performance report (*déclaration de performance extra-financière*).
- 2.4.3. The Committee reviews a summary of the sustainability ratings each year.
- 2.4.4. The Committee looks into regulatory developments with an impact on the Company's management of the various environmental, social and governance (ESG) criteria. The Committee identifies and discusses emerging trends relating to corporate social responsibility and their integration by the Company.
- 2.4.5. The Committee determines the objectives and stakes in terms of corporate social responsibility, and ensures the achievement of the objectives set beforehand.
- 2.4.6. The Committee is informed of the objectives relating to the corporate social responsibility stakes taken into account in Executive Management's variable compensation and assesses the level of achievement of these performance criteria.
- 2.4.7. The Committee may ask the Executive Management team to meet with the Head of CSR in connection with its reviews.

2.5. Monitoring of legal compliance:

2.5.1 The Committee receives regular information from the Executive Management team concerning the most significant legal and regulatory compliance subjects. It is aware of the situation concerning the main disputes underway and related potential accounting provisions.

It reviews the anti-corruption arrangements and the actions taken relating to compliance and ethics.

2.5.2. When necessary, the Committee reviews reports and information concerning the control missions carried out on the Company or its subsidiaries by the Executive Management team or the Group's functional departments.

2.5.3. The Committee may also ask the Executive Management team to review any matters that it considers necessary relating to the prevention and detection of anomalies or irregularities relating to the Group's management.

2.6. Procedure for a prior review of agreements with related parties:

The Committee is called on to review, before they are set up, certain agreements or operations between the Company or one of its fully-owned subsidiaries ("Subsidiary"¹) on the one hand, and a related party on the other hand, as stipulated in the charter for related-party agreements, whose terms regarding the Audit, Risk and Sustainable Development Committee are considered to be incorporated by reference to this Charter.

The Committee's mission, based on the information submitted by Executive Management for each agreement and/or operation concerned, is to assess the transaction's balance and alignment with the procedure followed in order to approve the corresponding terms.

The Committee issues an opinion, which is submitted to Executive Management and made available to the Board of Directors.

2.7. Audit, Risk and Sustainable Development Committee's reports for the Board of Directors:

2.7.1. The Committee gives presentations to the Board of Directors on the following:

- . On a half-year and full-year basis, the parent company and consolidated financial statements and the corresponding reports,
- . On an ad hoc basis, as requested by the Board or on its own initiative, its other areas of involvement,

¹ "Subsidiary" refers to any company in which Mercialis holds all the shares after deducting the minimum number of shareholders required for certain forms of companies, as well as the number of shares held by the Group's employees and executives within the limit of 5%.

the reports, studies or other investigations that it has carried out.

The Committee issues any opinions or recommendations required, with the Board of Directors responsible for assessing the next steps that it intends to take based on them. It notifies it immediately of any difficulties encountered.

2.7.2. The Committee is the structure for liaising between the Board of Directors, the statutory auditors of the Company and its subsidiaries, and the Finance Department.

2.8. Audit, Risk and Sustainable Development Committee's other missions:

2.8.1. The Committee may carry out any other mission relating to its role under this Charter as requested by the Board of Directors.

2.8.2. The Committee regularly checks that the missions assigned to it under this Charter are carried out under satisfactory conditions. It regularly assesses this Charter's suitability in relation to the requirements and guidelines defined by the Board of Directors.

III. Responsibility of Committee members:

In connection with their missions, the Committee members do not assume any other legal responsibilities in addition to their responsibilities as members of the Board of Directors.

IV. Confidentiality:

The Committee members and any people associated with them are bound by a strict duty of confidentiality as defined by the Board of Directors' rules of procedure in section 19.

V. Approval of the Audit, Risk and Sustainable Development Committee Charter:

This Charter was approved by the Board of Directors during its meeting on January 25, 2006. Its latest update was approved on February 14, 2024.

The Board of Directors reserves the right to modify, supplement or amend the Charter, if necessary, as requested by the Committee or on its own initiative.
