

## SOPRA STERIA GROUP

*Société Anonyme* with share capital of €20,547,701  
326 820 065 RCS ANNECY

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### INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS

#### **Introduction**

The Board of Directors of the SOPRA STERIA GROUP operates according to the rules established by law, the Company's articles of association and the recommendations contained in the Afep Medef corporate governance code to which the company refers. Its organisational and operating methods are set out in these internal rules and regulations.

The internal rules and regulations of the Board of Directors are not part of the articles of association of Sopra Steria Group. They are not binding on third parties. They may not be invoked by third parties or Sopra Steria Group shareholders against Sopra Steria Group or its company officers.

These internal regulations are applicable to all the corporate officers (directors, Executive Management), as well as to non-voting member(s), to the representative of the Works Council, to those invited according to the items on the agenda of the Board of Directors, to the members of the Company's Executive Committee, and, more generally, to any person with access to the documents (preparatory or final) produced for the Board of Directors' meeting and/or its Committees.

These internal rules and regulations were amended at the meeting of the Board of Directors of 21 February 2019.

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## Article 1 – Role of the Board of Directors

The Board of Directors defines the strategic guidelines for the Company and its Group and supervises their implementation. It handles any matters that fall within the scope of the powers ascribed to it by law, regulations or the Company's Articles of Association.

### A. Operations of the Company and its governance

The Board of Directors is mainly in charge of the following:

- defining how the Company is to be managed;
- appointing its Chairman, the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s) and defining their powers. The Board sets their compensation and may dismiss them;
- forming committees, particularly an audit committee pursuant to Article L. 823-19 of the French Commercial Code, the composition and attributes of which it decides upon, and which operate under its responsibility;
- approving the regulated agreements referred to in Article L. 225-35 of the French Commercial Code;
- presenting its reports and the financial statements for the year to the Annual Ordinary General Meeting;
- convening the Shareholders' General Meeting.

### B. Defining and implementing the Group's strategic guidelines

The Board of Directors defines the Group's strategic guidelines. As such, it approves the Group's business strategy, which is presented to the Board by the Chairman of the Board of Directors and the Chief Executive Officer. It sets the guidelines of the financial communication policy ensuring the quality of the information provided to the shareholders and to the investors.

It is kept informed of the Group's financial position, the competitive environment and the main challenges, including those in the areas of social and environment responsibility.

In general, the Board may examine and discuss any question related to the proper functioning of the Group's business operations. It carries out any verifications and controls it deems necessary.

The Board of Directors meets at least once a year to take decisions on the Group's strategy.

It approves certain decisions made by Executive Management, which are defined by these internal rules and regulations. It may delegate this authority to grant prior approval to the Chairman of the Board of Directors.

## **Article 2 – Role of the Chairman of the Board of Directors**

### **A. Organisation and guidance of the Board of Directors' work**

The Chairman of the Board of Directors organises and directs the work of the Board of Directors.

He/she sets the schedule and agenda for meetings of the Board of Directors.

If the Chairman of the Board of Directors is not present:

- the meeting of the Board of Directors shall be chaired by the director designated by the Chairman of the Board of Directors. Failing this, it shall be chaired by one of the two Deputy Chairmen;
- in the event of a tie, the Chairman of the meeting shall not have the casting vote.

### **B. Operations of the Company, its governance and control of Executive Management**

The Chairman of the Board of Directors ensures the proper functioning of the Board of Directors and its committees, the relationships of these bodies with the Executive Management and the use of best practices in corporate governance.

The Chairman of the Board of Directors ensures that the values of the group are respected.

He/she makes sure that directors are able to carry out their duties, and that they have adequate information.

The Chairman of the Board of Directors ensures open lines of communication at all times between the Board of Directors and Executive Management. As such, the Chairman also is aware, and must be kept informed of, the Group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities. To this end, the Chairman is kept informed of developments regarding planned transactions subject to prior approval by the Board of Directors and may offer comments on such plans.

He/she may draw on the expertise of the Board committees and their Chairmen and enjoys unrestricted access to Executive Management and to the functional and operational departments.

### **C. Shareholder relations**

The Chairman provides information to shareholders on the composition of the Board of Directors, how its work is prepared and organised as well as the internal control procedures and risk management put in place by the Group.

He/she chairs the Shareholders' General Meetings.

Together with the Chief Executive Officer, he/she supervises the Company's relations with important shareholders.

### **D. Support provided to the Executive Management**

In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may take part in actions to address any issues of interest to the Company or the Group, notably those relating to business activities, strategic decisions or projects (in particular involving investments

or divestments), partnership agreements and relations with employee representative bodies, risks and financial disclosures.

In agreement with the Chief Executive Officer, he/she may also take part in any meetings.

E. Representation of the Company and the Group

The Chairman of the Board of Directors represents the Board in its relations with third parties, apart from exceptional circumstances or in the case of specific assignments conferred upon individual directors. In coordination with the Chief Executive Officer, the Chairman of the Board of Directors uses his/her best efforts to promote the values and image of the Group in all circumstances. In agreement with the Chief Executive Officer, the Chairman of the Board of Directors may represent the Group in its high-level relationships, particularly with major partners or clients and government authorities, on the domestic and international fronts, and in terms of both internal and external communications.

**Conditions for the exercise of the Chairman of the Board of Directors' prerogative powers**

The duties assumed by the Chairman of the Board of Directors require the Chairman to devote his/her time to the Company. The initiatives undertaken and the actions carried out by the Chairman in the performance of his/her duties are taken into consideration by the Board of Directors in determining the Chairman's compensation.

The Chairman of the Board of Directors fulfils his/her responsibilities in recognition of those assumed by the Chief Executive Officer and the Board of Directors.

**Article 3 – Role of the Chief Executive Officer**

The Chief Executive Officer, assisted by one or more Deputy Chief Executive Officers where necessary, has authority over the entire Group. He/she directs, administers and coordinates all its activities. He/she takes part in developing the strategy as part of the process under the Chairman's guidance. He/she implements it after it has been approved by the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. He/she represents the Company in its dealings with third parties. He/she chairs the Group's Executive Committee.

The Chief Executive Officer exercises his/her powers within the limits of the corporate purpose, all applicable laws, the Articles of Association, decision by the Board of Directors, and these internal rules and regulations.

The Chief Executive Officer is also responsible for providing the Board of Directors and all its committees with any information they may require and implementing all decisions taken by the Board.

**Conditions for the exercise of the Chief Executive Officer's prerogative powers**

The Chief Executive Officer works closely with the Chairman of the Board of Directors to ensure open lines of communication at all times between the Board of Directors and Executive Management. He/she also keeps the Chairman informed of the Group's circumstances and any decisions being considered whenever they are likely to have a significant impact on the conduct of business activities.

The types of decisions defined hereafter require the prior approval of the Board of Directors, or of the Chairman whenever the Board delegates its authority to him in this respect, under the conditions defined by the Board. The Chairman must report to the Board of Directors on any authorisations given by him in connection with these delegations. These decisions are prepared and discussed in advance by the Chief Executive Officer and the Chairman of the Board of Directors.

Under the aforementioned conditions, the decisions requiring prior approval by the Board of Directors are those that are highly strategic in nature or that are likely to have a significant impact on the financial position or commitments of the Company or any of its subsidiaries, and in particular decisions falling into two main categories, as listed below:

- decisions relating to strategy implementation:
  - adaptation of the Group's business model;
  - the acquisition or disposal of companies or businesses for transactions exceeding €10 million;
  - any investment or divestment decision exceeding €10 million;
  - entering into strategic alliances;
  
- decisions relating to organisational matters:
  - the appointment or dismissal of any member of the management team (Executive Committee members), with authority delegated to the Chairman by the Board of Directors;
  - any significant change in the organisation or the internal functioning with authority delegated to the Chairman by the Board of Directors.

#### **Article 4 – Duration of a director's term of office – Renewal of the Board of Directors**

According to the Articles of Association, directors' terms last six years.

To avoid having all its members' renewed at once every six years, the Board may implement a rotating schedule for renewing its members' terms.

#### **Article 5 – Non-voting members**

Non-voting members attend Board of Directors' meetings and receive notice of such meetings in the same manner as Directors. At the initiative of the Board of Directors, they may also serve on the committees created by the Board.

Non-voting members receive all documents provided to the Board of Directors. They shall keep the Board's items of business confidential.

Non-voting members have no decision-making powers, but are at the disposal of the Board of Directors and its Chairman to provide their opinions on matters of all types submitted to them, particularly technical, commercial, administrative and financial matters. They participate in deliberations in an advisory capacity but do not take part in votes. Their absence from meetings has no effect on the validity of decisions.

The Board of Directors may compensate non-voting members by allocating an amount from the directors' fees established annually for Board members by the General Meeting.

#### **Article 6 – Works council representatives**

The Works Council has appointed one of its members as a representative, who attends meetings of the Board of Directors in an advisory capacity.

In accordance with current law, this representative:

- does not take part in votes;
- does not receive any directors' fees;
- is subject in all circumstances to the same confidentiality obligations as the other attendees at meetings of the Board of Directors and, in particular, the confidentiality of the deliberations of the Board of Directors as defined in these regulations.

#### **Article 7 – Confidentiality**

Any member of the Board of Directors is bound by a strict obligation of confidentiality regarding the discussions and deliberations of the Board of Directors and its committees as well as the information presented.

In general, any member of the Board of Directors is bound not to communicate such information outside the Board.

These obligations are applicable to any person who, on any basis whatsoever, attends all or part of the meetings of the Board of Directors and its committees, or who has access, even at draft stage, to the preparatory documents or minutes of the Board of Directors' meetings.

#### **Article 8 – Code of Ethics**

##### A. Corporate interest

Any member of the Board of Directors must act in all circumstances in the company's corporate interest.

##### B. Multiple directorships

An executive corporate officer shall not hold more than two other directorships in listed companies outside the Group, including foreign ones.

A director shall not hold more than four directorships in listed companies outside the group, including foreign ones. Each director shall keep the Board of Directors informed of directorships held in other companies, be they French or foreign, including membership of the Board committees of these companies.

Any member of the Board of Directors should seek the advice of the Board of Directors before accepting another corporate appointment in a listed company. Accordingly, he/she shall inform the Chairman of the Board of Directors.

##### C. Conflicts of interest

Any member of the Board of Directors in a situation of conflict of interest, even potentially – particularly due to positions he/she holds at another company – may not participate in the vote on the corresponding issue.



Members of the Board of Directors shall inform it of any conflict of interest, including a potential one, in which they could be directly or indirectly involved. They shall refrain from taking part in the discussions and decisions on the topics concerning them.

The Chairman may ask that the member in question not attend the discussion.

D. Regulated agreements

The members of the Board of Directors are bound to inform the Chairman of the Board of any draft agreement or any existing agreement:

- between the Company or one of its subsidiaries and themselves, either directly or indirectly by the company to which they belong, where they are executives or in which they directly or indirectly have significant shareholding, or in one of its subsidiaries;
- and which would not have been previously checked by the Board of Directors.

E. Attendance

By accepting the appointment, each member of the Board undertakes to devote the time and attention required to his/her duties. Except in the case of a major impediment, he/she shall attend all the meetings of the Board of Directors and, if applicable, the committees of which he/she is a member. It is recommended that the members of the Board of Directors attend the Shareholders' General Meetings.

Each Board member undertakes to offer his/her resignation to the Board when he/she is no longer able to fully carry out his/her duties. He/she shall inform the Chairman of the Board of Directors of any change in his/her professional responsibilities which may affect his/her availability.

F. The code of ethics for stock market transactions - Transactions in Sopra Steria Group securities and on similar securities<sup>1</sup>

The members of the Board of Directors shall abstain from directly, or through an intermediary, transacting in Sopra Steria Group securities during the "negative window" periods, namely:

- the 30 calendar days preceding publication of the annual and half-yearly financial statements and until the day after publication;
- the 15 calendar days preceding publication of the quarterly information and until the day after publication;
- the periods during which, due to their positions, they have access to information not yet published which could have an effect on the share price.

The members of the Board of Directors shall abstain from carrying out, either directly or through an intermediary, speculative or leveraged transactions in Sopra Steria Group securities.

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<sup>1</sup> *Similar securities should be understood, on the one hand, to mean securities giving the right, regardless of the method for exercising this right, to purchase or to sell Sopra Steria Group shares, or to receive, by exercising this right, a sum calculated in reference to the share price and, on the other hand, the assets in the majority made up of Sopra Group shares or similar securities.*

The members of the Board of Directors shall inform the secretary of the Board of any difficulty they may encounter in applying such rules.

G. Transparency

The members of the Board of Directors shall declare any transactions in Sopra Steria Group securities carried out by themselves or by persons related to them<sup>2</sup>.

Pursuant to the applicable provisions, every director concerned shall send information concerning these transactions directly to the AMF (French Financial Market Authority) within three working days following a transaction.

The secretary of the Board of Directors shall also be informed of each transaction.

H. Shares owned on a personal basis

Shares held by the directors must be registered.

Apart from the statutory obligation, it is recommended that each director appointed by the Shareholders' General Meeting, as well as the non-voting members, should hold at least 100 Sopra Steria Group shares on a personal basis, for the duration of their term of office.

I. Awareness of rights and obligations

When new members of the Board of Directors take up office, the secretary of the Board will give them a file with the articles of association, these Internal Rules and Regulations, the measures taken by the Board of Directors for its operation, an explanation of the main legal principles relating to the responsibility of the members of the Board of Directors, as well as the recommendations of the Afep-Medef Code.

Each member of the Board of Directors may consult the secretary of the Board on the scope of these texts and on his/her rights and obligations at any time.

## **Article 9 – Organising and preparing the work of the Board of Directors**

A. Meetings

Members of the Board of Directors who participate in the Board meeting by video-conference (including by camera connected to the Internet) shall be considered to be present for the purpose of calculating the quorum and majority.

This provision does not apply to the approval of the parent company or consolidated financial statements, or to the drafting of the Management Report or the Board's other reports.

Any director may be represented by another director at meetings of the Board of Directors. The proxy must be in writing and, in particular, may be given by fax or e-mail. Each director can only have one proxy for the meeting.

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<sup>2</sup> Particularly considered to be related persons are: the spouse or partner bound by a PACS, a dependant child, a relative belonging to the same household for less than one year, a legal entity, whose executive responsibilities are carried out by a person holding an executive position or controlled by this person and whose economic interests are the same as those of this person.

Decisions are taken on the basis of a majority of votes of members present or represented. In the event of a tie, the Chairman of the Board of Directors shall have the casting vote.

Notices of meetings may be issued by any means, even verbally in urgent cases.

**B. Information for the Board of Directors**

Each member of the Board of Directors shall receive all information required in the performance of his/her mission and is authorised to request any documents deemed pertinent.

In advance of each meeting of the Board of Directors, a set of preparatory materials shall be addressed to members presenting the items on the agenda requiring special analysis and preliminary reflection, provided that confidentiality guidelines allow the communication of this information.

The members of the Board of Directors shall also receive, in the intervals between meetings, all pertinent and critical information concerning events or operations that are significant for the Group. This information shall include copies of all press releases disseminated by the Group.

**C. Training for members of the Board of Directors**

Apart from the specific system provided for directors representing the employees, members of the Board of Directors may, on the occasion of their appointment or at any point during their term in office, engage in any training they feel is necessary for the performance of their duties.

This training shall be organised and offered by the Company at its expense.

**D. Assessment of the Board of Directors**

The Board of Directors shall deliberate at least once a year on its operations in order to improve efficiency.

A formal assessment shall be carried out every three years under the direction of the Nomination, Ethics and Governance Committee.

**E. Board of Directors' Committees, General principles**

Certain areas of discussion at the Board of Directors meetings are prepared by specialised committees, whether or not they are standing committees.

The Board of Directors shall appoint the members of each of these committees from among the directors and non-voting directors. It decides on the duration of their duties.

These committees do not have their own decision-making powers, but they investigate matters falling within their remit as decided by the Board of Directors, and submit their findings and proposals to it.

There are three standing committees:

- the Audit Committee;

- the Compensation Committee;
- the Nomination, Ethics and Governance Committee.

The Board of Directors may create one or more “ad hoc” committees.

Such committees may, in the performance of their respective duties and after having duly informed the Chairman of the Board of Directors, hear matters brought to them by the Group’s managers and request external technical assessments at the Company’s expense. They report on any information or feedback they have collected.

Each committee appoints its chairman. The Chairman oversees the committee’s work and reports on it to the Board of Directors.

#### F. Audit Committee

The Audit Committee is made up of at least three members appointed by the Board of Directors, the majority of whom are chosen from among its independent members, and none of whom hold a senior executive position.

In the performance of its duties, the Committee may:

- receive any internal documentation necessary to accomplish its mission;
- hear any person affiliated with or external to the Group;
- where applicable, commission independent experts to assist it.

The Audit Committee’s responsibilities include the following:

- overseeing the system used to prepare and process accounting and financial information, and reviewing the financial statements;
- overseeing the proper functioning of the internal control systems and risk management;
- managing the statutory audit of the financial statements by the Statutory Auditors;
- ensuring compliance with requirements for the independence of the Statutory Auditors.

#### G. Compensation Committee

The Compensation Committee is made up of three to six members who are appointed by the Board of Directors. It should not include any executive corporate officer.

The Compensation Committee may be convened at the request of its chairman or two of its members.

The Compensation Committee's main missions are as follows:

- proposing the fixed and variable components of compensation as well as the benefits in kind to be paid to corporate officers; it is informed and may issue an opinion on those concerning the key executives of the company;
- verifying the application of rules determined for the calculation of variable components of compensation;
- verifying the quality of the information communicated to shareholders concerning compensation, benefits in kind, options, and directors' fees granted to the corporate officers;
- preparing the policy for granting share subscription or purchase options and awarding free shares;
- preparing decisions related to employee savings plans.

#### H. Nomination, Ethics and Governance Committee

The Nomination, Ethics and Governance Committee is made up of the Chairman of the Board of Directors and three to six members who are appointed by the Board of Directors. The majority of its members must not hold a senior executive position at the Company or the Group.

The Committee may be convened at the request of its chairman or two of its members. It meets prior to the approval of the agenda for the Annual General Meeting to review the draft resolutions that will be submitted for approval and which concern the positions of members and non-voting members of the Board of Directors.

Its main responsibilities are as follows:

- proposing appointments of members of the Board of Directors and company officers, particularly in the event of an unforeseen vacancy;
- evaluating the Board of Directors and the effectiveness of corporate governance;
- verifying that good governance rules are applied at the Company and its subsidiaries;
- assessing whether Board members may be deemed independent in view of deliberations by the Board of Directors on this subject;
- proposing and managing changes it deems beneficial or necessary to the procedures or composition of the Board of Directors;
- verifying that the Group's corporate officers, its executives and its employees respect, defend and promote its values;
- verifying the existence of rules of good conduct with regard to competition and ethics;
- assessing the Company's policy on sustainable development and social responsibility.

#### **Article 10 – Directors’ fees**

Directors’ fees are allocated among Directors (including any Non-Voting Directors) solely in proportion to their attendance (whether in person or by telephone) at meetings of the Board and its committees.

- Breakdown of the overall budget between the committees and the Board of Directors:
  - Audit Committee: 5% of total directors’ fees per committee member, capped at 20% of the total;
  - Compensation Committee: 1.7% of total directors’ fees per committee member, capped at 10% of the total;
  - Nomination, Ethics and Governance Committee: 1.7% of total directors’ fees per committee member, capped at 10% of the total;
  - Board of Directors: the remainder, i.e. at least 60% of the total budget.
  
- Extra weighting coefficients applied to attendance rates:
  - Coefficient of 2.0 applied to attendance by Chairmen at meetings of the committees they chair (each meeting attended counts double);
  - Coefficient of 1.2 applied to attendance by Directors who live outside France at meetings of the Board and its committees. This extra weighting does not apply to Directors who are employees of a Group company.”

#### **Article 11 – Travel expenses**

Members of the Board of Directors may request the reimbursement of any travel expenses incurred in the interest of the Company upon presentation of the appropriate documentation. In the event of a disagreement over the necessity or amount of the expenses incurred, the decision is left to the Chairman of the Board of Directors.

#### **Article 12 – Public liability insurance**

The Company has taken out an executives’ public liability insurance policy in favour of the executives with a corporate appointment both within the Company and its subsidiaries.

#### **Article 13 – Shareholders’ agreement between Sopra GMT and Soderi**

The members of the Board of Directors are hereby informed that a shareholders’ agreement concerning the Company exists between Sopra GMT and Soderi.