



**SOITEC**

French joint-stock corporation (*Société anonyme*)  
with a share capital of 71,081,214 Euros  
Registered office: Parc Technologique des Fontaines  
Chemin des Franques  
38190 Bernin  
384 711 909 Grenoble Commercial Register

---

**INTERNAL REGULATION  
OF THE BOARD OF DIRECTORS**

---

**(Adopted by the Board of Directors on November  
23, 2022)**

## CONTENTS

<b>SOITEC</b> .....	<b>1</b>
<b>CONTENTS</b> .....	<b>2</b>
<b>PREAMBLE</b> .....	<b>1</b>
<b>ARTICLE 1 - GENERAL RULES</b> .....	<b>1</b>
A) COMPOSITION.....	1
B) AGE LIMIT – TERM OF OFFICE .....	2
C) VACANCIES – CO-OPTATION.....	3
D) SHARES OF DIRECTORS .....	3
<b>ARTICLE 2 - MEETINGS AND DELIBERATIONS</b> .....	<b>3</b>
A) OFFICERS OF THE BOARD OF DIRECTORS.....	3
B) FREQUENCY OF MEETINGS .....	5
C) ATTENDANCE, QUORUM AND MAJORITY .....	5
D) MINUTES .....	6
E) CLOSED SESSIONS.....	7
<b>ARTICLE 3 – POWERS</b> .....	<b>9</b>
A) POWERS SPECIFIC TO THE BOARD OF DIRECTORS .....	9
B) GENERAL MANAGEMENT.....	9
C) EXERCISE OF POWERS BY THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER, THE CHIEF EXECUTIVE OFFICER AND/OR, AS THE CASE MAY BE, THE DEPUTY CHIEF EXECUTIVES OFFICERS.....	10
<b>ARTICLE 4 - DUTIES OF DIRECTORS</b> .....	<b>14</b>
A) REPRESENTATION OF SHAREHOLDERS .....	14
B) DIRECTOR'S KNOWLEDGE OF HIS OR HER OBLIGATIONS.....	14
C) HOLDING MULTIPLE POSITIONS SIMULTANEOUSLY .....	14
D) CONFLICT OF INTERESTS.....	14
E) DIRECTORS' INVOLVEMENT.....	15
F) CONFIDENTIALITY .....	15
G) INSIDER TRADING RESTRICTIONS .....	16
<b>ARTICLE 5 – COMMITTEES OF THE BOARD OF DIRECTORS</b> .....	<b>17</b>
A) CREATION OF COMMITTEES .....	17
B) LIST OF COMMITTEES .....	17
C) COMPOSITION OF THE COMMITTEES.....	17
D) COMMITTEES MEETINGS .....	18
E) COMMITTEES RESOURCES .....	19
<b>ARTICLE 6 – STRATEGIC COMMITTEE</b> .....	<b>19</b>
A) MISSION AND POWERS.....	19
B) COMPOSITION.....	20
C) MEETINGS.....	20
D) MINUTES OF MEETINGS .....	20
<b>ARTICLE 7 – AUDIT AND RISKS COMMITTEE</b> .....	<b>21</b>
A) MISSION AND POWERS .....	21
B) COMPOSITION.....	23
C) MEETINGS.....	23
D) MINUTES .....	24
<b>ARTICLE 8 – COMPENSATION AND NOMINATIONS COMMITTEE</b> .....	<b>24</b>
A) MISSION AND POWERS .....	24
B) COMPOSITION.....	25
C) MEETINGS.....	25
D) MINUTES .....	26
<b>ARTICLE 9 – ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE</b> .....	<b>26</b>
A) MISSION AND POWERS.....	26
B) COMPOSITION.....	27
C) MEETINGS.....	27
D) MINUTES .....	27

<b>ARTICLE 10 - COMPENSATION.....</b>	<b>28</b>
<b>ARTICLE 11 - EVALUATION OF THE FUNCTIONING OF THE BOARD OF DIRECTORS .....</b>	<b>28</b>
<b>ARTICLE 12 - MISCELLANEOUS PROVISIONS.....</b>	<b>28</b>
A) AMENDMENT TO REGULATIONS .....	28
B) ENTRY INTO FORCE OF REGULATIONS .....	29
C) OFFICIAL VERSION .....	29
<b>SCHEDULES.....</b>	<b>30</b>
A) SCHEDULE 1 CODE OF CONDUCT .....	30
B) SCHEDULE 2 INSIDER TRADING.....	52
C) SCHEDULE 3 AUDIT AND RISKS COMMITTEE CHARTER.....	56

## **Preamble**

This internal regulation sets forth the methods of organization and operation of the Board of Directors of SOITEC (hereinafter the “**Company**”) and is intended to complement the statutory and regulatory provisions currently in force as well as the Company's by-laws.

This internal regulation of the Board of Directors is not part of the by-laws of the Company. It is not enforceable against third parties. Nor may it be invoked by shareholders or third parties against the Directors, the Company, or any company of the SOITEC group (hereinafter the “**Group**”).

This internal regulation shall be binding on each member of the Board of Directors whether a person or a company director (hereinafter a “**Director**”), each permanent representative of a member of the Board of Directors, the representative(s) of the Works Council or the entity acting in its stead, and more generally any person participating in, or attending, the meetings of the Board of Directors on a one-time basis or permanently.

The Board of Directors has adopted the Corporate Governance Code for Listed Companies published by the AFEP (*Association Française des Entreprises Privées*, the French Association of Private Companies) and the MEDEF (*Mouvement des Entreprises de France*, the French Business Confederation) as updated in January 2020 (hereinafter the “**Corporate Governance Code**”) as its reference framework for corporate governance.

## **ARTICLE 1 - General Rules**

### *a) Composition*

The Company shall be administered by a Board of Directors made up of at least three (3) members and no more than eighteen (18), subject to the exemption provided by law in the event of a merger, pursuant to article L. 225-95 of the French Commercial Code.

The Directors shall be appointed or renewed in their positions by the Ordinary Shareholders' General Meeting, which may revoke them at any time.

However, in the event of a merger or demerger, the Directors may be appointed by an Extraordinary Shareholders' General Meeting.

To the extent permitted by law, Directors representing employees are appointed in accordance with the provisions of article 12.5 of the Company's by-laws.

The Company shall implement a policy of diversity in the composition of the Board of Directors with regard to criteria such as the representation of women and men, nationality, age or professional qualifications and experience. The Board of Directors shall publish in the Company's corporate governance report a description of the diversity policy applied to the Directors, as well as a description of the objectives of this policy, its implementation and the results obtained during the past fiscal year.

The Board of Directors shall endeavor to propose the appointment, by the shareholders, of

members with industrial and/or accounting and financial expertise and whose profiles and skills meet the Company's needs, the regulatory requirements, and, insofar as possible, the recommendations of the Corporate Governance Code.

In the case of Directors who are companies, the Company Director must request prior agreement of the Board to its proposal permanent representative, agreement which the Board will not unduly refuse.

Regardless of personal qualities or abilities, each Director should act in the corporate interest of the Company; failure to do so may give rise to personal liability.

In any event, the interests of minority shareholders shall be taken into account through the appointment of a sufficient number of independent members.

The Board of Directors shall use its best efforts to ensure that, for as long as the Company is not controlled, at least half (1/2), and, if the Company becomes controlled, at least one-third (1/3), of the Directors are independent, within the meaning of paragraph 9 of the Corporate Governance Code, it being specified that Directors representing employees and, as the case may be, the shareholders employees, shall not be taken into account in determining this ratio.

The criteria of independence of the Directors shall be set by the Board of Directors taking into account an analysis based on the definition and criteria of independence of paragraph 9 of the Corporate Governance Code and on best practices.

Each year, prior to the Ordinary Shareholders' General Meeting called to approve the financial statements, the Board of Directors shall perform an evaluation of the independence of the Directors, on the basis of the recommendations of the Nomination & Governance Committee in compliance with the recommendations of the Corporate Governance Code.

The Board of Directors shall examine on a case-by-case basis the qualifications of each one of its members, taking into consideration the criteria that it will have selected, the special circumstances and the situation of the interested member.

The conclusions of the evaluation of the independence of its members shall be recorded in the minutes of the meeting of the Board of Directors and shall be brought to the attention of the shareholders in the annual report.

At the time of each appointment/renewal of a Director, the key moments in the career of the candidate as well as the conclusions of the Board of Directors as to his or her independence shall be made available to the Shareholders' General Meeting called to approve his or her appointment/renewal.

*b) Age Limit – Term of Office*

No one may be appointed Director if he or she is over the age of seventy (70) and his or her appointment would increase the number of Directors above this age to more than one-third (1/3) of the members of the Board of Directors. The number of Directors over seventy (70)

years of age may not exceed one-third of the members of the Board of Directors. If said limit is reached, the oldest Director shall be considered to have resigned.

Moreover, the age limit for being a Director is set at seventy-five (75) years old. Any Director who reaches this age limit shall be automatically deemed to have resigned. However, the Board may elect to ask the Shareholders through an EGM for an exception to the by-laws and for the Director to remain until the end of his term or for another term.

Pursuant to article 12.2 of the by-laws of the Company, the term of office of the Directors shall be three (3) years. The duties of the Directors shall expire at the conclusion of the Shareholders' General Meeting that rules on the financial statements of the past fiscal year and held in the year during which their term of office expires. The Directors may always be re-elected.

The Board of Directors shall endeavor to organize a staggering of the term of office of the Directors in order to avoid a mass renewal of all of the terms of office.

*c) Vacancies – Co-optation*

The Board of Directors may make appointments on a provisional basis in the cases and under the conditions provided for by law.

*d) Shares of Directors*

Pursuant to article 13 of the by-laws of the Company, Directors are not required to hold shares of the Company.

Nonetheless, in order to comply with paragraph 20 of the Corporate Governance Code, in the absence of legal provisions to the contrary, the Directors (individual Directors as well as permanent representatives of legal entities appointed as Director) should ensure that they are personally a shareholder of the Company and that they hold a minimum number of shares that is significant in relation to the Directors' fees awarded. This obligation does not apply to permanent representatives appointed by Directors that are legal entities, to Directors representing institutional investors and to Directors representing employees.

The possession of one hundred (100) shares in registered form shall be considered a significant number of shares.

## **ARTICLE 2 - Meetings and Deliberations**

*a) Officers of the Board of Directors*

The Board of Directors shall elect a Chairman from among its individual members, and shall set the duration of his or her term of office, which may not exceed the duration of his or her term of office as a Director.

The Board of Directors may also appoint a Referent Director whose duties and powers are specified herein

The Chairman of the Board of Directors may not be over the age of seventy (70). If he or she should exceed this age limit, he or she shall be automatically deemed to have resigned. However, the Board may elect to ask the Chairman to remain until the end of his term or for another term, subject to prior approval by a shareholder EGM.

The Chairman of the Board of Directors represents the Board of Directors. He or she is in charge of convening the Board of Directors meetings, set the agenda and organizes and supervises its works which he or she presents to the general meeting. He or she ensures that the Board of Directors and the Committees of the Board of Directors operate in good conditions and verifies, in particular, that the Directors are in a position to accomplish their mission.

The Chairman of the Board of Directors helps to promote the Company's values and culture. He or she uses his or her best efforts to promote the Group's actions, in particular in the areas of environmental, social and governance responsibility (ESG).

The Chairman of the Board of Directors, taking into account and responding to any recommendations made by the Referent Director, shall ensure that the principles of good governance are duly implemented.

If the functions of Chairman and Chief Executive Officer are separated, the Chairman of the Board of Directors shall ensure that a relationship of trust is maintained and developed between the Board and General Management in order to guarantee that General Management implements the guidelines defined by the Board of Directors.

The Chairman shall be informed in advance by the Chief Executive Officer on all significant matters and events of interest to the Company, in particular those relating to the Company's strategy, operation and organization, proposed acquisitions or disposals and major financial transactions. In this capacity, he or she may request from the Chief Executive Officer any information or document likely to inform the Board of Directors and its permanent Committees.

The Chairman of the Board of Directors, for the Directors, or the Referent Director, for the Chairman, shall prevent situations of real or potential conflict of interests from arising. He or the Referent Director or any director shall bring to the attention of the Board of Directors any real or potential situation of conflict of interests involving Directors.

In consultation and pre coordination with the Chief Executive Officer, the Chairman may represent the Company in its high-level relations, both nationally and internationally, in particular with public authorities, institutions, regulators, shareholders (in relation to Corporate Governance) and the Company's strategic stakeholders.

The Board of Directors appoints, on the proposal of the Chairman of the Board of Directors, a Board Secretary, who may be chosen either from among the Directors or from outside the Board of Directors. If the Board Secretary is not a member of the Board of Directors, he or she shall be subject to the confidentiality obligations set forth in article 4 f) below.

The Board Secretary shall remain in office for a period of time determined by the Board of

Directors. He or she may be replaced by a simple decision of the Board of Directors.

If the Chairman is absent or unable to carry out his or her duties, at each meeting the Board of Directors shall appoint one of its members in attendance to chair the meeting. In the event of a tied vote regarding said appointment, the eldest candidate shall be appointed.

*b) Frequency of Meetings*

The Board of Directors shall meet as often as the interest of the Company requires, at the request of the Chairman and at least four (4) times per year.

The Referent Director, the Chief Executive Officer or at least half of the members of the Board of Directors may also request that the Chairman convene the Board of Directors, with an agenda defined in said request.

Furthermore, when it has not met for more than two (2) months, at least one-third (1/3) of the members of the Board of Directors may ask the Chairman to convene the Board of Directors on an agenda determined by said Directors.

In these last two cases, the Chairman is bound by the requests that are addressed to him or her and must convene the Board of Directors in compliance with the defined agenda.

In case the Chairman does not so convene a meeting of the Board of Directors as requested by the Referent Director, the Chief Executive Officer or at least 1/3 of the members of the Board of Directors, the Referent Director may do so.

But for an established urgency, the convening must be made in writing, by all means including email, at least eight (8) days before the date of the meeting, or with a shorter lead time enabling proper reaction by the Board of Directors to an urgency requirement and must be, during the same period of time, accompanied with the agenda of the meeting and all the documents prepared for the purposes of the meeting (but for a logistical impossibility). An update of the documents sent is communicated as need be to the Directors after the convening and before the meeting of the Board of Directors. However, when all the Directors are present or represented (including by way of participation or representation during phone or audiovisual calls) during a meeting, it can intervene without prior convocation.

The meetings shall be held either at the registered office or at any other place specified in the notice, including abroad.

If the notices so stipulate, the meetings may be held by videoconference or conference call or by electronic means of telecommunication or teletransmission subject to the reservations and under the conditions set by the laws or regulations in force.

*c) Attendance, Quorum and Majority*

An attendance book shall be kept and signed by the Directors participating in the meeting of the Board of Directors. This attendance book shall indicate the names of the Directors who participated in the meeting by videoconference, conference call or by electronic means of



telecommunication or teletransmission.

For resolutions to be valid, at least half of the Directors must be physically present. However, the Directors attending the meeting by videoconference, conference call or any other means allowing their identification shall be considered to be present for the purposes of calculating the quorum and the majority in compliance with the statutory and regulatory provisions currently in force.

A Director may appoint another Director to represent him or her, even by letter. Each Director may only have one proxy per meeting. The proxies, given by letters, or possibly by telex, telegram or by a confirmed email shall be appended to the attendance book.

Decisions shall be taken by a majority vote of the members who are present or represented. The Chairman of the meeting shall not have the casting vote.

The working language for meetings of the Board of Directors shall be English.

d) Minutes

The deliberations of the Board of Directors shall be recorded in minutes drawn up in accordance with the legal provisions in force, and signed by the Chairman of the meeting and a (1) Director or, if the Chairman of the meeting were unable to fulfill his or her duties, by two (2) Directors, and the omission of this formality shall not result in the nullity of the decisions made.

The minutes of the meeting shall specify the name of the Directors who were present or deemed to be present pursuant to article L. 225-37 of the French Commercial Code, excused or absent. It shall note the presence or the absence of the persons called to the meeting of the Board of Directors in accordance with a legal provision and the presence of any other person who attended all or part of the meeting.

The meeting minutes shall summarize the debates, the issues raised, the positions given or the reservations expressed. They shall state the resolutions that have been put to the vote and the results of the voting.

The minutes shall also include the occurrence of any technical problem concerning a videoconference or conference call when it has disrupted a meeting.

The minutes of the Board of Directors meeting and of the Committees respectively are drawn up by the secretary of the Board of Directors under the authority of the Chairman of the Board of Directors, or of the Chairpersons of the Committees respectively, and sent to the Directors or Committee members respectively, within seven (7) days after such meeting.

The copies or extracts of minutes of the deliberations shall be validly certified by the Chairman of the Board of Directors, or by the Committee Chairperson in the case of Committee minutes, the Secretary of the Board, or by a Director if he or she has been temporarily authorized to perform the duties of Chairman, or a proxy authorized for said purpose.

The minutes of the meetings of the Board of Directors shall be drafted in English, with a simultaneous translation into French for the purpose of archiving and fulfilling legal formalities, as the case may be.

In the event of a discrepancy between the English version and the French translation, the English version shall prevail.

*e) Closed Sessions*

At the end of each meeting of the Board of Directors or of the committees, or at any time deemed appropriate, and at least once (1) a year, restrictive meeting(s) of the Board of Directors shall be held without the presence of the Directors belonging to the General Management or any potentially conflicted Directors depending on the subject of such meeting (“**Closed Sessions**”).

These Closed Sessions may in particular be held in order to discuss performance, remuneration, succession plan or real or potential situations of conflict of interests of the Directors belonging to the General Management. They may also be held in order to discuss any specific issue, as well as the internal functioning of the Board of Directors.

Closed Sessions shall be convened by the Chairman of the Board of Directors, or Chairman of the committees, who sets the agenda and may be convened by the Referent Director in relation to issues of conflict of interest relating to the Chairman. Subjects discussed in Closed Sessions may be recorded or not in minutes. If the minutes are written, then they will be circulated to the participants or to the Board of Directors in its collegial formation, as decided by the participants in the Closed Sessions.

As Closed Sessions have no decision-making or deliberative powers, no action or formal decision falling within the competence of the Board of Directors may be taken during these meetings.

Any matter discussed in the Closed Sessions falling within the competence of the Board of Directors and requiring action may be brought to its attention and, as the case may be, included on the agenda of its next collegial meeting and be subject of a formal decision.

*a) Board of Directors Resources*

In order to carry out its work (or its committees’ work), the Board of Directors may use external experts or advisors and request external studies, at the Company’s expense. The Board of Directors must ensure the objectivity of the external experts requested.

The Board of Directors shall be provided with an autonomous budget allocated on an annual basis by a decision of the board for the sole purpose of requesting external experts or advisors, which shall be used by the Board of Directors at its sole discretion.

Within the framework of the allocation of this autonomous budget, the Chairman of the Committee intending to recruit such external experts or advisors will inform the Chairman of the Board of Directors, for approval and shall determine the reasonable fees and the acceptable

terms and conditions in accordance with industry standards.

b) Information and Training of Directors

Subject to real or potential situations of conflict of interests, documents and information enabling the Directors to make an informed decision with full knowledge of the facts about the items on the agenda of the meeting of the Board of Directors shall be communicated by the Chairman of the Board of Directors or the Chief Executive Officer in a timely fashion, prior to the meeting, except when the respect of confidentiality or physical obstacles make that impossible.

Each Director may and must ask to be sent the documents that he or she considers essential to the exercise of his or her duties. The Director shall send his or her requests for additional information to the Chairman of the Board of Directors, who shall evaluate the essential nature of the documents requested and who shall grant any such request.

Outside of meetings of the Board of Directors, if the importance or the urgency of information so requires, the Directors shall also receive any information that is relevant to the exercise of their duties. In particular, they shall be sent articles in the press and financial analysis reports containing relevant information about the Company.

The Directors may meet with the main managers of the Group, including without the presence of the Chief Executive Officer on the condition that the Chairman of the Board of Directors and the Chief Executive Officer have been informed in advance. It being specified that:

- in the event of emergency or justified situation, the Chairman of the Board of Directors and the Chief Executive Officer may be informed afterwards;
- in the event of a real or potential situation of conflict of interests with the Chief Executive Officer and the need for the Board of Directors to obtain information necessary for the accomplishment of its missions, the Chief Executive Officer may not be informed;
- it shall not be necessary to inform the Chairman of the Board of Directors and the Chief Executive Officer when the relevant corporate officers are members of the Executive Committee who are in regular contact with the Board of Directors (in particular the Chief Financial Officer, the general counsel, and the senior vice-president human resources).

Each Director may, if he or she considers it necessary, receive additional training regarding the Company, its business areas and its business sector and its social and environmental responsibility issues.

Directors representing employees shall receive appropriate training to enable them to perform their duties in accordance with regulations in force.

The abovementioned provisions are subject to the provisions of the Articles 4 d) and 4 f) of the present internal regulation.

## **ARTICLE 3 – Powers**

### *a) Powers Specific to the Board of Directors*

The Board of Directors shall fulfil its duties in accordance with legal, statutory, and regulatory provisions.

The Board of Directors shall notably determine the governance and strategic guidelines for the Company's activities and ensure their implementation.

In particular, the Board of Directors shall determine and regularly review the strategy of the Group, and ensure that this strategy is implemented by the General Management.

The Board of Directors shall examine, in relation to the strategy it has defined, opportunities and risks such as financial, legal, operational, social, and environmental risks and the measures taken in consequence.

The Board of Directors shall oversee Management's financial disclosure policy and actual disclosures, in particular the quality of the information supplied to the shareholders and to the markets, through financial statements or in relation to major transactions

Subject to the powers expressly attributed to the Meetings of Shareholders and within the limit of the Company's corporate purpose, it shall consider any issue affecting the smooth functioning of the Company and shall resolve the matters relating to it.

The Board of Directors shall determine the method of exercise of the General Management (joint or separate functions of Chairman of the Board of Directors and Chief Executive Officer) at the time of the appointment, renewal of the term of office of the Chairman of the Board of Directors or the Chief Executive Officer.

The Board of Directors shall examine the regulated agreements addressed by article L.225- 38 of the French Commercial Code.

The Board of Directors shall also conduct the audits and verifications that it considers appropriate.

### *b) General Management*

The Company's General Management shall be assumed, under his or her responsibility, either by the Chairman of the Board of Directors (who, in such case, will be Chairman and Chief Executive Officer), or by another natural person, who may but need not be a Director, appointed by the Board of Directors under the title of Chief Executive Officer (*Directeur Général*).

The Board chooses between the two abovementioned options of General Management. The shareholders and the third parties are informed of the choice under the conditions defined by

the law.

The chosen option remains in force until a contrary decision has been made under the same conditions.

Subject to the powers that the law expressly grants to the Shareholders' General Meetings and the powers that it expressly reserves to the Board of Directors and to the Chairman of the Board of Directors as well as the limitations set out in Article 3 c) of the present internal regulation, the Chief Executive Officer shall be vested, within the limit of the Company's corporate purpose, with the broadest powers to act under any circumstances on behalf of the Company.

Decisions of the Board of Directors that limit the powers of the Chief Executive Officer shall be unenforceable against third parties.

On the proposal of the Chief Executive Officer, the Board of Directors may appoint one or several individuals, provided that it does not appoint more than five, to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Deputy Chief Executive Officers are responsible for assisting the Chief Executive Officer, to whom they shall report their management activity. With regard to third parties, they shall have the same powers as the Chief Executive Officer.

The Chief Executive Officer or each of the Deputy Chief Executive Officers shall be authorized to grant sub-delegations or substitutions of powers for one or more transactions or categories of specific transactions.

c) Exercise of Powers by the Chairman and Chief Executive Officer, the Chief Executive Officer and/or, as the case may be, the Deputy Chief Executives Officers

Matters for which prior approval by the Board of Directors is required are stipulated in this section. When possible or necessary, Management shall produce early directional information, progress reports and proposals in due time and in any event before such information becomes or risks to become a company business direction commitment or disclosure.

## **I. Strategy, Business Plans and Operating Budget.**

- 1) Management will review annually with the board the Company's strategy, business plan including organization, human capital, and ESG plans, operating budget, industrial footprint, R&D plans and outstanding customer and supplier backlog and commitments. The annual budget and long term business plans shall be submitted to the Board for approval.
- 2) Substantial modifications or deviations of an existing and approved strategy, business plan, or operating budget or substantial deviation of actual performance to operating budget and/or forecast will also be reviewed with the Board of Directors.
- 3) Management will make periodic reports to the Board of Directors comparing operating results to the budget, in a dashboard listing the fundamental parameters of the budget.

## **II. Capital Expenditures.**

- 1) Management will submit a capital expenditure budget for the Company annually for the Board of Directors' consideration and approval.
  - a) The capital budget will itemize and describe anticipated capital expenditures for assets and capital projects for lifetime cost that exceed US\$ 30 million.
  - b) The capital budget will contain an aggregate total for all capital expenditures.
- 2) The Board of Directors' approval of the capital budget will represent approval of the nature of the Capex line items and of the aggregate total capital spending, plus/minus 10%.
- 3) Each individual capital expenditure over US\$ 30 million which was not itemized in the Board of Directors' approved capital budget requires the Board of Directors' approval.

## **III. Transactions**

- 1) Management will submit to the Board of Directors for prior consideration and approval all M&A transactions beyond agreed strategy scope, or above US\$ 10 million.
- 2) Management will submit to the Board of Directors for prior consideration and approval acquisitions of equity interests and joint ventures involving one or more of the following:
  - a) payment with stock of the Company;
  - b) the Company's contribution of cash, assets, or assumption of debt, in any combination, exceeding US\$ 10 million, inclusive of purchase price and potential earn-outs or deferred payments to the owners;
- 3) Management will inform the Board of Directors prior to closing any acquisitions of equity interests and joint ventures below US\$ 10 million., in particular for adjacent or diversification or integration types of businesses, considering the Company's then existing businesses.

## **IV. Debt and Leases.**

Management will submit to the Board of Directors for prior consideration and approval the following items:

- 1) All borrowings greater than US\$ 60 million collectively per year, except borrowings authorized by previously adopted specific or standing resolutions or borrowings made against previously approved existing lines of credit;
- 2) Sale and leaseback transactions with a value of more than US\$ 60 million collectively per year; and
- 3) Capital or operating leases for which the capitalized or net present value of the obligation is more than US\$ 60 million collectively, and the underlying commitment on land, building or equipment which triggers the obligation exceeding \$60M shall also be subject to prior approval.

## **V. Sales of Assets; IP Licenses.**

Management will submit to the Board of Directors for prior consideration and approval:

- 1) sales of capital assets when the book value of the assets or the net proceeds of the sale exceed US\$ 10 million collectively per year,
- 2) sales of intellectual property rights,
- 3) intellectual property license or sublicense agreements to be granted by the Company, relating to the Company's core technologies, including among others SmartCut or SmartCut Sic, or any cross-license agreement.
- 4) any license granted to the Company of a third-party product IP or process enabling the production of products.

Prior approval will not be required for:

- a) joint R&D agreements and/or
- b) publicly funded R&D agreements, and/or
- c) license or sublicense agreements for IT or development or manufacturing tool IP.

## **VI. Loans, Guarantees and Advances.**

- 1) Management will submit to the Board of Directors for prior consideration and approval loans or advances to or guarantees of the performance or indebtedness of any person or entity exceeding US\$ 60 million collectively per year.
- 2) No approval is necessary for:
  - a) loans or advances to the Company's wholly- or majority-owned subsidiaries,
  - b) guarantees of obligations of the Company's wholly or majority-owned subsidiaries,
  - c) prepayments or bank guarantees given in the ordinary course of the Company's business.
- 3) The Company may not make any loan or advance of Company assets to (a) a corporate Director or executive officer of the Company, or (b) to relatives, associates, and affiliates of such persons.

## **VII. Material Sales and Purchasing Contracts.**

### **A. Sales Contracts**

Management will submit to the Board of Directors for prior consideration and approval sales contracts in amounts exceeding annually US \$100M.

Management will submit to the Board of Directors for prior consideration and approval sales contracts of any amount which provide for potential liquidated direct damages of US \$20M or more.

### **B. Purchasing Contracts**

Management will submit to the Board of Directors for prior consideration and approval purchase contracts providing for firm commitments exceeding US \$ 50 million and/or amendments to such contracts exceeding US \$ 50 million, and which provide for a take or pay contract or which involves a potential liquidated damages or penalty payment ("*clause pénale*") in an amount of US\$20M or more to the third party supplier. A "take or pay contract" is generally a provision, written into a contract, in which the Company has the obligation of either taking

delivery of goods or paying a specified penalty.

#### **VIII. Material Contracts or undertakings (not including sales and purchasing contracts).**

Management will submit to the Board of Directors for prior consideration and approval all contractual commitments having a value over the life of the contract above US\$ 50 million, such as but not limited to forward contracts on material, hedging, or service contracts, or contracts which contain a potential liquidated damages or penalty payment clause in an amount of US\$20M or more.

Management will submit to the Board of Directors for prior consideration and approval all undertakings potentially having a material impact on the Company's strategy, stature, and reputation. Typical undertakings of this nature include headquarters or manufacturing location change, material changes in tax policy or domiciliation, and public communication which would materially influence the Company's image, reputation, or relationships with the Company's strategic stakeholders.

Management can obtain the above listed approvals within the Budget or strategic plan approval process, and/or by submitting an overall policy to be approved (case of the hedging policy for instance).

#### **IX. Compensation.**

The prior approval of the Board of Directors, after recommendation of the Compensation Committee, is required for:

- 1) Compensation, retirement and pension plans, benefits in kind and various pecuniary rights, and more generally all compensation or incentive packages including equity, that are allotted to the Chairman of the Board of Directors, to the Directors, to the Chief Executive Officer, to the Deputy Chief Executive Officers and any members of the Board of Directors who are employees or corporate officers;
- 2) Allotment of stock options or the purchase of shares of the Company as well as the allocation of bonus shares or any other financial instrument to the Directors and the employees of the Group;
- 3) Variable compensation criteria for the Chief Executive Officer and Deputy Chief Executive;
- 4) Compensation conditions and dismissal packages for the Chief Executive Officer;
- 5) Contractual welcome bonus, or contractual dismissal packages which involved share grants or which exceed 2 years of fixed or variable remuneration for Executive committee members.

#### **X. Other Actions.**

The prior approval of the Board of Directors is required for:

- 1) Communication on financial matters, in particular market disclosures, financial market presentations, quarterly/semi-annual/annual releases, new or changed guidance and financial press releases.



- 2) Commitments (including local/government authorities' relationships) on exceptional matters which may have material impact on the Company's strategy, stature, and reputation, ESG footprint or on matters which concern Board responsibilities.
- 3) Public communication or disclosures to third parties (including shareholders) of intent or potential intent or to enter into commitments on such exceptional matters listed above.

All items mentioned under this Article 3 c) will be communicated timely with the Board of Directors.

In addition, the following matters shall be subject to prior notification to the Board of Directors, with the possibility for the Board of Directors to issue a recommendation:

- 1) Organizational changes and hiring or dismissal of Executive Committee members.
- 2) Press releases other than financial which could have a material impact on the Company's share price or which are legally required (other than the communication concerning legal formalities)

#### **ARTICLE 4 - Duties of Directors**

##### *a) Representation of Shareholders*

The Board of Directors shall represent all the shareholders collectively and must act under all circumstances in the Company's corporate interest. The Director, regardless of the way in which he or she was appointed or the functions that he or she may otherwise exercise, must act in his or her capacity as a Director in the sole interest of the Company and with diligence.

##### *b) Director's Knowledge of His or Her Obligations*

The Director shall ensure that he or she is familiar with the general and specific obligations relating to his or her position. He or she must particularly know and respect the statutory and regulatory provisions relating to the position of Director, as well as the rules specific to the Company resulting from its by-laws, these internal regulations and the Code of Conduct attached in **Schedule 2** to the present internal regulation.

##### *c) Holding Multiple Positions Simultaneously*

An individual Director may not be a member of more than five (5) Boards of Directors or Supervisory Boards of *sociétés anonymes* (joint-stock corporations) that have their head offices in French territory at the same time (including the office of Director within the Company), except as provided by law.

Any Director who is an individual and acquires a new position in violation of the provisions of the previous paragraph must resign from one of his or her positions within three (3) months following his or her appointment. Otherwise, he or she shall be considered to have resigned as Director of the Company.

##### *d) Conflict of Interests*

All Directors must make their best efforts to avoid being in a situation of conflict between their moral and material interests and those of the Group.

A conflict of interest is a situation in which

- (i) a Director or a member of his/her family or close-relative, has a personal interest or is working in any capacity for a company having an interest;
  - (ii) such interest could interfere or interferes with the Directors' position at Soitec;
- or
- (iii) such interest could influence the impartial, objective, and independent exercise of the Director's judgment concerning Soitec matters, for example to favor such other interests.

Each Director must provide the Board of Directors, at the time of his or her appointment with a declaration of facts confirming the absence of or otherwise detailing any situation of conflict of interest, even potential, direct, or indirect, concerning him or her. Each Director must communicate to the Board of Directors any update of this declaration of facts.

Furthermore, each Director shall have the obligation to inform the Board of Directors of any potential, direct or indirect situation of conflict of interest.

The Chairman of the Board of Directors may, at any time, and shall upon request of the Referent Director, request a written declaration from the Directors stating that they are not in a real or potential situation of conflict of interests. The Referent Director may request such a declaration from the Chairman. In the event of a real or potential situation of conflict of interests for which the Chairman judges that the subject matter can be disclosed to them, Directors shall refrain from participating in the debates or in any decision at the level of the Board of Directors or of the relevant Committees, and shall not have access to the relevant documents and discussions. Nevertheless, Directors that are not allowed to participate may present their position prior to withdrawing from the debates.

In the event of a real or potential situation of conflict of interests for which the Chairman judges that the subject matter cannot be disclosed to the conflicted Directors, the Board of Directors or the Committees shall meet without the conflicted Directors and the conflicted Directors shall not have access to the relevant documents.

*e) Directors' involvement*

Directors agree to devote the necessary time and attention to their duties.

They must regularly attend and participate in all the meetings of the Board of Directors and meetings of the Committees of which they are part. They shall attend the Shareholders' General Meetings.

*f) Confidentiality*

Under article L. 225-37 of the French Commercial Code, the Directors, as well as any person called to attend the meetings of the Board of Directors, shall be bound to discretion with regard to information provided to the Board during or outside of Board or Committee meetings which is non-public.

In addition, the Directors, as well as any persons called to attend (i) meetings of the Board of Directors, or (ii) meetings of the Committees of the Board of Directors (whether in person, by videoconference or conference call), shall be bound to confidentiality obligations with regard to the non-public information provided to and/or discussions and exchanges at such meetings or in relation thereto and strictly abide to the following disclosure restrictions.

**(i) Individual Directors and permanent representatives of companies which are not institutional financial investors and invitees:** No disclosure of nonpublic information is permitted (including without limitation, to personnel of companies designating the Director or of which company the Director is a representative).

**(ii) Permanent Representatives of Company Directors which companies are institutional financial investors:**

A permanent representative of a legal entity which is a Director, and which entity is an institutional financial investor, may provide information he/she received during or outside the meetings of the Board or its Committees to personnel of such legal entity provided that:

- access to such information shall be permitted only for the purpose of the accomplishment of its duty of Director, in the Company's corporate interest;
- communication shall be limited to that portion of the information which is necessary for the purposes set out above;
- distribution shall be limited to the chief executive officer of such legal entity and to such other individuals who strictly need to know such portion of information for the purposes set out above, provided that such entity (i) takes all useful measures (including the entering into of confidentiality agreements) to ensure that strict confidentiality is maintained by all such persons and (ii) maintains a list of such persons and procure that such persons comply with Applicable Law relating to disclosure and use of inside information.

In the event of a proven breach of the confidentiality obligation by one of the Directors or any other person attending the meetings of the Board of Directors, the Chairman of the Board of Directors shall consider the measures to be taken in response to that breach, including legal action.

*g) Insider Trading Restrictions*

Directors have a legal obligation to report to the AMF any trades in Company securities within 3 days of the trade.

Directors have an obligation to not trade in Company securities during the 30 days preceding and including the date of publication of annual and half year results and 15 days preceding and including the date of quarterly financial information.

The applicable rules are summarized in the Company insider trading policy attached hereto as Schedule 1.

## **ARTICLE 5 – Committees of the Board of Directors**

### **a) Creation of Committees**

The Board of Directors may decide to create one or more permanent Committees for which it determines their composition, missions, and powers. The Committees shall carry out their activities under the responsibility of the Board of Directors.

The mission of the Committees is to provide a thorough analysis and reflection prior to the collegial meeting of the Board of Directors and to contribute to the preparation of the decisions of the Board of Directors.

The Committees have no decision-making power and the opinions, proposals, and recommendations that Committees submit to the Board of Directors are not binding on the Board of Directors.

The Committees shall carry out their activities under the responsibility of the Board of Directors, which has alone the legal authority to make decisions and remains collectively responsible for the accomplishment of its missions.

The Board of Directors may decide to create *ad hoc* working groups for the sole purpose of conducting studies on matters of an exceptional nature or on specific matters of strategic importance for the Company, and for a limited period of time.

### **b) List of Committees**

In accordance with the resolutions of the Board of Directors dated September 28, 2022, there are four (4) permanent Committees:

- a Strategic Committee.
- an Audit and Risks Committee.
- a Compensation and Nominations Committee.
- An Environmental, Social and Governance (ESG) Committee.

### **c) Composition of the Committees**

Committee members must be Directors and are appointed in a personal capacity by the Board of Directors. A permanent representative of a Director who is a legal person may also be appointed as a member of a Committee, provided, however, that replacing the permanent representative causes immediate termination of his or her tenure as a Committee member.

The mandates of Committee members are renewable.

A person may be a member of several Committees.

Directors who are appointed as members of one or several Committee(s) shall be appointed for the duration of their term of office.

The Board of Directors appoints a Chairman for each Committee, on the recommendation of the Nomination & Governance Committee, for a maximum term corresponding to his or her term of office as Director.

Only members of the relevant Committee take part in its deliberations and can vote.

d) Committees Meetings

It is the responsibility of each Committee to determine its own annual meeting schedule, based on the schedule of the Board of Directors' meetings.

Each Committee shall consider any matter within the scope of its authority under these internal regulations and shall meet on its annual meeting schedule basis or at any time, if necessary, at the request of its Chairman, the majority of its members, the Chairman of the Board of Directors, the Referent Director or one third (1/3) of the Directors.

The Chairman of each Committee sets the agenda of the meeting and shall send the notice of the meeting to each member of the Committee, together with the relevant documents, within seven (7) days before the date of such meeting.

In case of emergency or justified necessity, the members of each Committees shall meet without prior notice.

Documents sent to Committees members prior to Committees meetings are also made available to all Directors unless the Chairman of the relevant Committee decides otherwise in view of (i) the nature or sensibility of the document(s) in question or (ii) in the event of a conflict of interest.

Subject to the specific provisions of each Committee, its Chairman may decide to invite any person of his or her choice to attend Committee meetings, either on a permanent or on an *ad hoc* basis, for one or several meetings depending on the subject of such meeting, and provided there is no conflict of interest.

Where appropriate, a Committee may hold a joint meeting with another Committee of the Board of Directors. In this case, each Committee Chairman shall ensure that he or she shares all documents necessary for the study of these subjects and, where necessary, the results of his or her Committee's work with the Board of Directors.

At the end of each meeting of the Committees, or at any time deemed appropriate, Closed Sessions of the Committees shall be held in order to discuss any specific issue, as well as the internal functioning of the Committees.

Closed Sessions shall be convened by the Chairman of each Committee who sets the agenda. Subjects discussed in Closed Sessions may or may not be reported in the minutes. If the minutes are written, then they will be circulated to the participants or to Committee at large, as decided by the participants in the Closed Sessions.

As Closed Sessions have no decision-making or deliberative powers, no action or formal decision failing within the competence of the Board of Directors or of the competent

Committee may be taken during these meetings.

If necessary, any matter falling within the competence of the Board of Directors or of the competent Committee may be brought to its attention and, as the case may be, included in the agenda of its next collegial meeting and be subject of a formal decision or recommendation.

The minutes of each Committee meeting are drawn up by the secretary of the Board of Directors under the authority of the Chairman of such Committee and sent to the members of such Committee within seven (7) days after such meeting.

*e) Committees Resources*

In order to carry out their work, each Committee may use external experts or advisors and request external studies on subjects within their jurisdiction, at the Company's expense and each Committee chair will ensure that his budget is part of the aggregate budget proposed by the Chairman of the Board and by the Board of Directors.

When a decision is made by the Board of Directors or by a Committee to use an external expert or advisor, the Committee Chairman shall inform the Chairman of the Board of Directors, who shall allocate the yearly approved budget and request further funds to the Board of Directors if necessary, and the Committee Chairman shall notify the Board of Directors at its next meeting. The Committees must ensure the objectivity of the external experts requested.

Within the framework of the allocation of this autonomous budget, the Chairman of the Board or the Committee Chairman shall determine the reasonable fees and the acceptable terms and conditions in accordance with industry standards.

In the event that a Committee requests external experts or advisors on a subject with conflict of interests, the Chairman of the Board of Directors shall decide the timing and the content of the relevant information to be provided to the Board of Directors.

Each Committee may also contact and interview the main executive officers of the Company after having informed the Chief Executive Officer and the Chairman of the Board of Directors or, if the Chairman of the Board of Directors is conflicted, the Chairman of the Nomination & Governance Committee, and subject to reporting to the Board of Directors. The provisions of article 3(g) above shall also apply.

## **ARTICLE 6 – Strategic Committee**

*a) Mission and Powers*

The mission of the Strategic Committee shall be:

- to assist the Board of Directors in those of its duties that consist in determining and regularly reviewing the strategy of the Company and the Group, to include the scope, business plans, budget and potential M&A mapping and opportunities;
- and for that purpose, to analyze the markets, key success factors and the areas of growth of the Group in order to present proposals to the Board of Directors for the strategy of

the Group;

- to elucidate, by its analyses and its debates, the strategic objectives of the Group submitted to the Board of Directors and to evaluate the merits and the consequences of the most important strategic decisions proposed to the Board of Directors; and
- to carry out a review of the competitive environment and to prepare a report on this subject, the modalities of preparation and content of such report being defined by the Chairman of the Strategic Committee.

The Strategic Committee shall not have any powers of its own. The Board of Directors alone shall have the authority to decide on the strategy of the Company and the Group.

*b) Composition*

The Strategic Committee shall be composed of members appointed by the Board of Directors from among its members, and shall include a majority of independent directors and shall include the Chief Executive Officer (provided he or she is a member of the Board of Directors).

The Chief Executive Officer, if he or she is not a member of the Board of Directors, is invited to each meeting of the Strategic Committee.

The term of office of the members of the Strategic Committee shall coincide with their term of office as members of the Board of Directors. It may be renewed at the same time as the latter.

*c) Meetings*

The Strategic Committee shall meet at least twice (2) a year upon the request of the Chairman of the Strategic Committee or of two (2) of the members of the Committee who may convene it by all means. It may meet by videoconference or any other communication means that allows for the identification of its participants.

To deliberate validly, at least half of its members must be present or deemed to be present. A member of the Strategic Committee may only be represented by another member of the Committee.

The working language for Strategic Committee meetings shall be English.

*d) Minutes of Meetings*

At the end of each one of its meetings, the conclusions, proposals, opinions and/or recommendations of the Strategic Committee shall be included in written minutes, which shall be communicated to the members of the Strategic Committee, except to conflicted members.

The Chairman of the Committee shall report to the Board of Directors on its work.

## **ARTICLE 7 – Audit and Risks Committee**

### ***a) Mission and Powers***

The Audit and Risks Committee shall help the Board of Directors to ensure the accuracy and the reliability of the corporate and consolidated financial statements of the Company and the quality of the information provided. Its duties, as assigned by the Board of Directors in compliance with the Corporate Governance Code, shall be:

- (i) With regard to the accounting and the financial information:
  - to oversee the quality of the process of preparing the financial information and to follow its unfolding;
  - to examine the annual financial statements before the Board of Directors receives them; for that purpose, the Audit and Risks Committee shall hear (i) the Statutory Auditors present to it the essential points concerning the results and the accounting methods used (ii) as well as a presentation from the Chief Financial Officer describing the risk exposure and the significant off-balance-sheet commitments;
  - to ensure the relevance of the accounting methods used and to study the changes and adaptations in the accounting principles and rules used to prepare the financial statements and prevent any possible violation of said rules;
  - to be informed of the changes in the scope of the consolidated companies and receive any necessary explanations;
  - to examine the interim and preliminary earnings as well as the comments that accompany them, before they are announced;
  - to ensure that the quality of the procedures enables compliance with stock exchange regulations;
  - to be informed of the financial strategy and the conditions of the main financial transactions of the Group;
  - to review quarterly dashboard of financial and operational data enabling the Board of Directors to understand the business in terms of products and customers (actual and forecast);
  - to review financial market releases and financial analyst presentations;
  - to ensure that the company and the different committees involved in the company ESG plan are addressing the subject matter in accordance with disclosure requirements and ensure that said disclosures are complete and accurate.
- (ii) With regard to the external audit of the Company:
  - to regularly hear the Statutory Auditors of the Company;
  - to steer the procedure of selection of the Statutory Auditors and to submit the result of said selection to the Board of Directors; upon decision of the Board of Directors, the selection or the renewal of the Statutory Auditors shall be preceded by a request for proposals;
  - to evaluate the nominations of the Statutory Auditors of the Company and to issue a recommendation as to their appointment;
  - to evaluate each year the amount of the compensation paid to Statutory Auditors to carry out their statutory audit duties;
  - to ensure the observance of the independence of the Statutory Auditors, particularly



by evaluating with them the risks encumbering their independence and the safeguard measures taken to attenuate that risk and by making sure that the amount of the fees paid by the Company and its Group, or the share that they represent in the gross revenue of the firms and the networks, are not likely to undermine the independence of the Statutory Auditors;

- to supervise the application of the rules of recourse to the Statutory Auditors for work other than the statutory audit and to pre-approve the recourse to the Statutory Auditors outside of their statutory audit mission. In this frame, within an Audit and Risks Committee charter attached as **Schedule 3** to these internal regulations as validated on November 29, 2017, the Board of Directors has set the rules applicable to the Audit and Risks Committee for the pre-approval process of non-audit services that may be provided by the Company's Statutory Auditors or their networks;
- to examine each year with the Statutory Auditors their plans of intervention, the conclusions thereof and their recommendations as well as the follow-up that is given to them; and
- to review third party verification of publicly communicated indicators of ESG quantitative performance.

(iii) With regard to the internal control of the Company:

- to evaluate the internal control systems of the Group with the persons in charge of internal control;
- to examine with its managers the plans of interventions and actions in the area of internal control, the conclusions of those interventions and actions, and the recommendations and actions that are given to them;
- to review and propose recommendations regarding the annual capital expenditures budget; and
- to review and propose recommendations regarding any exceptional expenses that would not have initially been included in the annual capital expenditures budget.

(iv) With regard to the risks:

- to regularly review, with the person in charge of internal audit, the main financial risks, and significant off-balance-sheet commitments of the Company;
- to review and propose recommendations regarding the standard terms and conditions of sale and purchase issued by the company for purchase and sales orders. This can be done during the annual Budget review or when material changes are brought to the standard terms and conditions;
- to give its opinion on the organization of the internal audit and to be informed of the work program of said service;
- to review the relevance of the procedures for analyzing and monitoring the risks, by ensuring the implementation of a process aiming to identify, quantify and prevent the major risks resulting from the Group's activities; and
- to review the section of the draft of the Board of Director's management report that relates to risks factors, internal control, and risk management mechanisms.

In order to fulfill its duties, the Audit and Risks Committee:

- must hear the Statutory Auditors, but also the financial, accounting and treasury officers.

- They may be heard, whenever the Audit and Risks Committee so desires, without the presence of the General Management of the Company;
- as to internal control, the Audit and Risks Committee must receive the internal audit reports or a periodic summary of said reports; and
  - must be provided by the Board of Directors with all documentation supporting each meeting at least eight (8) days before the meeting.

*b) Composition*

The Audit and Risks Committee shall be composed of two third (2/3) independent members designated by the Board of Directors and whose Chairman shall be an independent Board member designated by the Board.

The term of office of the members of the Audit and Risks Committee shall coincide with their term of office as members of the Board of Directors. It may be renewed at the same time as the renewal of their term of office as members of the Board of Directors.

At the time of their appointment, the members of the Audit and Risks Committee must receive information on the accounting, financial and operating characteristics of the Company and its Group.

*c) Meetings*

The Audit and Risk Committee shall meet at least four (4) times per year particularly before each closing of the annual and semiannual accounting upon the request of the Chairman of the Audit and Risk Committee or of two (2) of the members of the Committee who may convene it by all means; the calendar of its meetings shall be fixed at the same time as that of the meetings of the Board of Directors by the Board of Directors.

The Audit and Risks Committee may meet by videoconference or by any other means of telecommunication allowing identification of the participants.

To deliberate validly, at least half of the members of the Audit and Risks Committee must be present or deemed to be present. No member of the Audit and Risk Committee may only be represented by another member of the Committee.

The working language for the Audit and Risks Committee meetings shall be English.

The following shall attend the meetings of the Audit and Risks Committee:

- the Chief Financial Officer or his or her deputy for that purpose, or both of them together;
- as the case may be, the representatives of the Statutory Auditors or the person in charge of the audit of the Company; and
- any person whom the Audit and Risks Committee wishes to hear.

d) Minutes

Minutes shall be kept of the meetings of the Audit and Risks Committee. The minutes shall be communicated to the members of the Audit and Risks Committee. The Chairman of the Audit and Risks Committee or a member of the Audit and Risks Committee designated for that purpose shall report to the Board of Directors on the work of the Audit and Risks Committee.

**ARTICLE 8 – Compensation and Nominations Committee**

a) Mission and Powers

The Compensation and Nominations Committee shall be entrusted its mission by the Board of Directors:

- (i) to make recommendations to the Board of Directors for approval of the compensation, the retirement and pension plan, the benefits in kind and the various pecuniary rights, and more generally all compensation or incentive packages including equity, that are allotted to the Chairman of the Board of Directors, to the Directors, to the Chief Executive Officer, to the Deputy Chief Executive Officers and any members of the Board of Directors who are employees or corporate officers;
- (ii) to make recommendations to the Board of Directors for approval of the allotment of stock options or the purchase of shares of the Company as well as the allocation of bonus shares or any other financial instrument to the Directors and the employees of the Group;
- (iii) to make recommendations to the Board of Directors for approval of the variable compensation criteria for the Chief Executive Officer and Deputy Chief Executive;
- (iv) to be informed of the policy of compensation of the Company including the compensation of the members of the Executive Committees and to make recommendations to the Chief Executive Officer for his or her consideration regarding the compensation and any other benefits, in particular pension plan, and more generally all compensation items, fixed and variable or incentive packages including equity, of the members of the Executive Committee;
- (v) to make recommendations to the Board of Directors for approval on contractual welcome bonus or contractual dismissal packages for Executive Committee members;
- (vi) more generally, to make recommendations and formulate opinions to the Board of Directors on any question regarding the Company's compensation policy and ensure the consistency of this policy;
  - (vii) to set up a procedure for selecting the future independent Directors, and debate of the criteria of independence of such candidate, and to make proposals to the Board of Directors as to the selection of new Directors, their cooptation, their appointment or their renewal; the Compensation and Nominations Committee shall consider the desirable balance of the composition of the Board of Directors and the Committees in view of the composition and the changes in the shareholder structure of the Company, but also the implementation of a policy of diversity with regard to criteria such as independence, representation of women and men, nationality, age or professional qualifications and experience;
- (viii) to prepare the recommendations for the succession of the Chairman, CEO, or deputy CEOs, if any when the expiry of their term of office approaches; and it must
- (ix) to review Organization and Human Capital plans proposed by the CEO and ensure proper succession planning and talent management is in place;

- (x) to be involved in the process of any arrival or departure at Executive Committee level and be part of the final selection step, and more generally, to make recommendations to the Chief Executive Officer regarding the composition of the Executive Commission.

*b) Composition*

The Compensation and Nominations Committee shall not include any executive corporate officers and be made up, to the extent possible, of a majority of independent Directors.

The Chairman and Chief Executive Officer or, if applicable, the Chief Executive Officer may be invited to the meetings of the Compensation and Nominations Committee. The Chairman and Chief Executive Officer or, if applicable, the Chief Executive Officer, may not be present at the deliberation concerning his or her compensation.

The term of office of the members of the Compensation and Nominations Committee shall coincide with their term of office as members of the Board of Directors. Said term of office may be renewed at the same time as the renewal of their term of office as members of the Board of Directors.

The Compensation and Nominations Committee shall appoint its Chairman from among its members.

*c) Meetings*

The Compensation and Nominations Committee shall meet at least once (1) per year, prior to the approval of the agenda of the Ordinary Meeting of Shareholders, upon the request of the Chairman of the Compensation and Nominations Committee or of half of the members of the Committee who may convene it by all means to examine the draft resolutions that will be submitted to it.

The Compensation and Nominations Committee shall meet once (1) a year and/or before any LTI plan is proposed for a presentation made by the Chief Executive Officer of the compensation policy of the members of the Executive Committee observed in previous fiscal years and the proposed compensation policy for the next fiscal year.

The Compensation and Nominations Committee may meet by videoconference or by any other means of telecommunication allowing identifying the participants.

To deliberate validly, at least half of its members must be present or deemed to be present. A member of the Compensation and Nominations Committee may be only represented by another member of the Committee.

The working language for the Compensation and Nominations Committee meetings shall be English.

d) Minutes

Minutes shall be kept of the meetings of the Compensation and Nominations Committee. The minutes shall be communicated to the members of the Compensation and Nominations Committee. The Chairman of the Committee or a member of the Compensation and Nominations Committee designated for that purpose shall report to the Board of Directors on the opinions and recommendations of the Compensation and Nominations Committee so that it may deliberate on them.

**ARTICLE 9 – Environmental, Social and Governance (ESG) Committee**

a) Mission and Powers

The mission of the ESG Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the Group's identification and management of Environmental, Social and Governance matters including without limitation:

- Environmental sustainability and climate change, including low carbon and climate change impacts, greenhouse gas emissions, air and water quality, ecological impacts.
- Social sustainability, including human rights, wellbeing diversity and inclusion in the work place.
- Governance including business ethics.

(collectively "Corporate Sustainability").

The mission of the ESG Committee does not include oversight of the audit performed on the mandatory consolidated non-financial performance report which audit is overseen by the Audit and Risks Committee.

The ESG Committee shall in particular:

- oversee the Group actions and strategies to take into account Corporate Sustainability in management of the Group's objectives, business, strategy, and product policy in the short, medium, and long term, and to comply with applicable laws.
- review the Group's public disclosure on Corporate Sustainability including without limitation in particular the in the annual management report sections on extra-financial performance and on other ESG matters.
- monitor managements' identification of risks and opportunities in respect of the Corporate Sustainability that could impact the Group's ability to create long-term value for stakeholders, including when appropriate relevant tests of the resilience of the Company's business model.
- monitor internal controls, the implementation of due diligence processes, and the management of critical incidents including corrective actions, to the extent any of the foregoing relate to Corporate Sustainability.

In relation to Governance specifically, the ESG Committee shall:

- periodically review and evaluate matters relating to the functioning of the Board of Directors.
- consider questions related to the effective development of good governance of the Company, e.g. annual assessment of the Board of Directors, independence of the Board of Directors and Committees, desirable functioning of the Board of Directors and Committees, balance of powers, and make recommendations to the Board of Directors in this regard.

*b) Composition*

The ESG Committee shall include at least 3 members, shall not include any executive corporate officers, and be made up, to the extent possible, of a majority of independent Directors.

The Chairman and Chief Executive Officer or, if applicable, the Chief Executive Officer may be invited to the meetings of the ESG Committee, the Chairman of the ESG Committee and the Chairman of the Board of Directors being informed in advance. The Chairman and Chief Executive Officer or, if applicable, the Chief Executive Officer, is involved in the work of the ESG Committee relating to the selection or the appointment of the new Directors.

The term of office of the members of the ESG Committee shall coincide with their term of office as members of the Board of Directors. Said term of office may be renewed at the same time as the renewal of their term of office as members of the Board of Directors.

*c) Meetings*

The ESG Committee shall meet at least twice per year, prior to the approval of the agenda of the Ordinary Meeting of Shareholders, upon the request of the Chairman of the ESG Committee or of half of the members of the Committee who may convene it by all means to examine the draft resolutions that will be submitted to it and which concern positions of members of the Board of Directors.

The ESG Committee may meet by videoconference or by any other means of telecommunication allowing identifying the participants.

To deliberate validly, at least half of its members must be present or deemed to be present. A member of the ESG Committee may be only represented by another member of the Committee.

The working language for the ESG Committee meetings shall be English.

*d) Minutes*

Minutes shall be kept of the meetings of the ESG Committee. The minutes shall be communicated to the members of the ESG Committee and to the other members of the Board of Directors. The Chairman of the Committee or a member of the ESG Committee designated for that purpose shall report to the Board of Directors on the opinions and recommendations of the ESG Committee so that it may deliberate on them.

## **ARTICLE 10 - Compensation**

The Shareholders' General Meeting may allocate to the Directors, as compensation for their activity, an annual fixed sum, as Directors' fees. The Board of Directors shall freely distribute said compensation among its members.

If the composition of the Board of Directors is not compliant with the provisions of the first paragraph of Article L. 225-18-1 of the French Commercial Code, the payment of the abovementioned compensation is withheld. The payment is released if and when the composition of the Board of Directors becomes compliant, including the arrears due from the withholding date.

The compensation of the Chairman of the Board of Directors, of the Chief Executive Officer and, as the case may be, of the Deputy Chief Executive Officer(s) shall be determined by the Board of Directors in accordance with the relevant provisions of the French Commercial Code, at the proposal of the Compensation Committee. It may be fixed or variable, or both fixed and variable.

The Board of Directors may allocate extraordinary compensation for the missions or mandates entrusted to Directors; in such case, the compensation, posted to operating expenses, shall be subject to the approval of the Ordinary Shareholders' General Meeting under the conditions stipulated in article 23 of the by-laws.

In accordance with article L. 225-44 of the French Commercial Code, subject to Articles L. 225-21-1, L. 225-22, L. 225-23, L. 225-27 and L. 225-27-1 of the said Code, the Directors shall not receive from the Company any compensation, permanent or not, other than those mentioned in Articles L. 225-45, L. 225-46, L. 225-47, and L. 225-53 of the French Commercial Code.

## **ARTICLE 11 - Evaluation of the Functioning of the Board of Directors**

Once (1) per year, before the Ordinary Meeting of Shareholders is held, the Board of Directors shall devote an item on its agenda to a discussion of its functioning, revolving notably around the following areas:

- focus on its composition, operation, and organization;
- verifying that the important matters are suitably prepared and discussed;
- measurement of each Director's actual contribution to the work of the Board of Directors, taking into consideration his or her expertise and his or her involvement in the deliberations.

In addition, at least once every three (3) years, it shall conduct a formal evaluation of its work or cause that evaluation to be performed.

Each year, the Board of Directors shall inform the shareholders, in the annual report, of the evaluations that have been performed and any follow-up actions taken.

## **ARTICLE 12 - Miscellaneous Provisions**

### *a) Amendment to Regulations*

These internal regulations may be amended only by decision of the Board of Directors.

*b) Entry into force of Regulations*

These internal regulations shall enter into force on the day they are adopted by the Board of Directors.

*c) Official Version*

The French-language version of these internal rules has been drawn up for information purposes only. In the event of discrepancies between the French and the English versions or difficulties in their interpretation, the English-language version shall prevail.





## **SCHEDULE 1**

## **CODE OF CONDUCT**



# GROUP GENERAL MANAGEMENT POLICY 1

## Code of conduct

Référence	Version	Date
YUZIT	2	October 2022

Validation	Signature
Pierre Barnabé, CEO	DocuSigned by:  10D96BC3BFC14D1...
Patrick Noonan, General Counsel	DocuSigned by:  6AE90D6E608A46A...
Pascal Lobry, EVP People and sustainability	DocuSigned by:  5DDB8BE0BCB34AF...

### Executive summary:

- This Code of conduct defines Soitec's key values, principles and expectations.
- All employees, business partners and stakeholders are expected to comply with this Code of conduct.
- Compliance with this Code of conduct is mandatory, no tolerance will be allowed in case of violation.

# Content

<b>Content</b>	<b>2</b>
<b>CEO statement</b>	<b>3</b>
<b>Use of the Code</b>	<b>4</b>
<b>Health, Safety &amp; Environment</b>	<b>5</b>
Conflict minerals	6
Diversity and Inclusion	6
Human Rights	7
Community Impact	8
Data Privacy	9
<b>Operate Safely and protecting our Assets</b>	<b>10</b>
Product Safety	10
Quality	11
Protecting our assets	12
Confidential Information and Intellectual Property	12
<b>Act with Integrity</b>	<b>14</b>
Insider Trading	14
Internal Control	14
Anti-Bribery and Corruption & Gifts and Hospitality	15
Conflict of Interests	16
Export & Trade Control	17
Anti-money laundering	17
Know your Partner	18
Fair Competition	18
<b>Reporting violations</b>	<b>19</b>
<b>Appendix</b>	<b>21</b>
Management of incident reports under Soitec's Code of Conduct	21

## CEO statement



While Soitec is growing and becoming a large multinational Group at the very top of the microelectronics value chain, permanently creating industry standards by making possible the adoption of innovative technologies, our employees, colleagues, customers, suppliers, partners and the communities in which we operate expect us to be clear on the values we hold that underpin who we are.

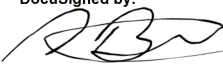
As defined in Soitec's corporate purpose, *"We are the innovative soil from which smart and energy efficient electronics grow into amazing and sustainable life experiences"*.

Our Code of conduct, based on this commitment, in conjunction with the Group Policies, define our values, supporting principles and the expectations we place on our people, business partners and stakeholders in order to maintain consistent highest standards of integrity, respect and value of people, the environment, health and safety across the Group when carrying on our business and activities.

Compliance with our Code of conduct and Group Policies is mandatory and there will be no tolerance for any violation. If you have any doubt or questions, discuss the issue with your manager or one of the contacts made available to you within the Group prior to acting.

Our Code of conduct and Group Policies are cornerstone to our Group sustainable development and success, and you can count on me and the management as we count on each of you to comply, share and promote them across the Group and with all our business partners and stakeholders.

**Pierre BARNABE**  
Chief Executive Officer

DocuSigned by:  
  
10D96BC3BFC14D1...

# Use of the Code

The information contained in this Code of conduct provides the tools to make sound decisions.

Whenever the answers to some questions are not easy, consider the following in your decision-making:

- Is this course of action permitted by the Group's Code of conduct and/or Group Policies?
- Will this decision put my company and/or the Group at risk, or may be an unlawful or unethical position?
- Will this course of action potentially damage my company and Group's activities and/or reputation?
- Have I carefully considered the potential consequences of my actions?
- Will I be uncomfortable explaining my decision to colleagues, family or friends?
- Have I consulted with all available company resources to help me take the right decision?

In addition to this Code of conduct and the Group Policies we must comply with laws and regulations that apply to our business, especially when they are more stringent than the Code of conduct and/or the Group policies.

# Health, Safety & Environment

## Values

We are committed to taking care of our health, our safety and the environment ("HSE"), operating safely. We believe that a safe and healthy workplace, that also minimizes our environmental impact, is a better place for our people, our customers and our business. Our HSE performance is fundamental to our success and an integral part of how we work every day.

## Key principles

We are committed to the highest standards of behavior for protecting our own and others' health and safety and the environment in which we operate.

We take personal and collective responsibility, along with our suppliers, contractors, joint venture and other partners, to:

- operate safely in all our business and activities and operations;
- create a working environment that supports employee wellbeing, with an aspiration towards zero work-related illness, accidents or harm to people;
- prevent or minimize any adverse environmental impact from our activities, products and services, support the sustainable use of resources and strive for no environmental incidents; and
- provide a safe, healthy and productive work environment.

Climate change: Soitec joined the Science-Based Targets initiative (SBTi) – led by CDP Worldwide, the World Wildlife Fund (WWF), the World Resources Institute (WRI) and the United Nations Global Compact program – and adopted the trajectory limiting global warming to 1.5°C above pre-industrial temperatures, alongside 1,000 other global pioneers.

Responsible water and energy management: Soitec is committed to reduce its water and energy consumption by optimizing its industrial processes.

## Expectations

Each one of us will:

- take accountability to reduce risks and impacts throughout our activities, products and services;
- integrate HSE into our business processes and decision making;
- not consume psychoactive substances before or during working hours or during meal or rest breaks, nor attend work under their influence;
- not smoke or use tobacco products other than in the permitted areas, if any;

- follow local health and safety procedures when working with chemical products in the workplace;
- speak up if concerned about an activity or decision and seek advice and support when necessary.

### **Related policies and documents**

Please refer to the Annexes to this Code on the intranet webpage. For Soitec SA please see Annex 1 to the Règlement Intérieur.

### **Contact**

HSE department: [service-hse-soitec@soitec.com](mailto:service-hse-soitec@soitec.com)

## **Conflict minerals**

### **Key principles**

In the course of its activities, Soitec may use minerals that are regulated by the EU Conflict Minerals Regulation (2017/821) and the Dodd-Frank Act in the United States.

As part of its commitment, Soitec is conducting due diligence on the sourcing and traceability of conflict minerals. Impacted suppliers are specifically included in the Green Partner approach, and they are required to submit a report using the template developed by the Responsible Minerals Initiative to facilitate the circulation of information throughout the supply chain and ensure the traceability of these materials.

### **Related policies and documents**

Please refer to the Code of Conduct Related Policies Annex to be found in the Group Policies' section on the intranet webpage to locate all Chemical products management system policies for more details.

### **Contact**

Quality department: [quality\\_support@soitec.com](mailto:quality_support@soitec.com)

## **Diversity and Inclusion**

### **Values**

It is through our people that we fulfill our potential, achieve our vision and execute our strategy, and each of us has a role to play. We all need to be pioneers and seek diverse and inclusive ways to work. Our global People policies supports all of us - and our Group as a whole - in achieving this, and in creating a working environment where each of us is able to be at its best.

## Key principles

Our policies relating to our people articulate what we expect of you and the support you get from us as an employee or in your duties as a manager in our business.

The following are among the key principles of our policies:

- promoting diversity and inclusion,
- Implementing a zero-tolerance policy against harassment or discrimination. Any breach may be subject to sanctions.

## Anti-discrimination

We are committed to building a culture of respect and appreciation, giving everyone the opportunity to be themselves and to realize their full potential. Therefore:

- we treat each other openly, honestly, and courteously.
- we do not tolerate bullying, harassment or discrimination and support everyone to report about any instance which they experience or observe as per the Group whistleblowing process.

## Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage. For Soitec SA please see Annex 4 to the Règlement Intérieur.

## Contact

Please contact your local HR or the Group HR department.

# Human Rights

## Values

Our Group commits to comply with the fundamental conventions of the international Labor Organization, the OECD guidelines as well as the United Nations Free & Equal Standards of Conduct against homophobia and transphobia and expects its supplier to have similar commitments.

We know that to deliver excellence, we must respect human rights, and act in a socially responsible manner, complying with all applicable laws, and respecting the communities in which we operate. This shall apply without limitation, in providing safe and healthy working conditions, guaranteeing freedom of labor association and the right to collective bargaining, the prohibition of modern slavery, forced or child labor and human trafficking.

## Key Principles

Our policy is meant to help us:



- work together by involving our people in the activities of our business, embracing and celebrating difference, including in an inclusive environment, fairly rewarding our people and providing employment that is freely chosen and tackling any form of discrimination;
- conduct our business by recruiting, selecting and developing people on merit, providing a safe working environment;
- protect the environment, support the communities in which we work; and
- speak-up if you think we or our suppliers are not complying with this policy.

## Expectations

Each one of us must:

- ensure that each Soitec company recognizes employees for their performance and contribution based on our Group values, and comply with national laws and regulations;
- not use forced or involuntary labor;
- comply with child labor laws and be committed to the development of young people;
- be alert to the risks vulnerable people may face and seek to ensure this Group is free from discrimination;
- select suppliers and partners whose core values and commitment to ethical business conduct match our own;
- comply with all legal and regulatory security requirements, and
- work to prevent or minimize negative impacts to the environment of our products and services.

## Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage and the collective agreements signed with the representative trade unions applicable to the unionized entities of the group relating to gender, generation and quality of life in the workplace.

## Contact

Please contact your local HR or the Group HR department.

## Community Impact

As a multinational Group we seek to build positive relationships with the communities around us and therefore may give charitable contributions, to the extent always that they are not a form of bribery or corruption which is strictly prohibited under this Code of

conduct and by law, and comply with the Gifts and Hospitality annex to the Anti-Bribery and Corruption Policy.

## Values

We direct our support for charitable contributions within one or more of the following areas:

- Education and skills: with a focus on science, technology, engineering and mathematics, which are key to our business including without limitation, with targets to fight digital divide and social divides in general, access to education, including access by women to scientific education;
- Environment: adding value, and a social dimension to the company environment strategy.

## Key Principles

Strictly apply the Gifts and Hospitality (Annex 2 to Group Anti-corruption and bribery Policy) to any considered charitable contribution.

## Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage.

## Contact

Please contact your management or Compliance team: [compliance@soitec.com](mailto:compliance@soitec.com)

# Data Privacy

## Key principles

Soitec is committed to protecting the privacy of individuals and to complying with applicable personal data protection laws wherever it operates and in particular but without limitation, with the European Union's General Data Protection Regulation (GDPR) when collecting or processing personal data.

## Related policies and documents

Please refer to the Group Policies' section on the intranet webpage to locate the Group Policy on Data privacy for more details as well as to the Personal data privacy Group general management policy.

## Contact

Data Protection Officer: [dpo@soitec.com](mailto:dpo@soitec.com)

# Operate Safely and protecting our Assets

## Product Safety

### Values

Soitec provides high-value components. Our commitment to the safety of our products is a core value.

### Key principles

Our approach to product safety:

- We make accountability for product safety clear and ensure people understand what they are accountable for.
- We design our products to achieve a high level of safety consistent with their application, always ensuring that we comply with the relevant company, legal, regulatory and industry requirements.
- We assess what could go wrong and put controls in place to meet the required safety levels throughout the product life cycle and reduce the safety risks so far as is reasonably practicable.
- We evaluate how human and organizational factors can introduce risks to product safety and use our understanding when setting our controls.
- We are committed to the continuous improvement of product safety and actively engage in setting industry standards and good practice.
- We measure our performance and rigorously investigate and resolve safety-related issues, systematically embedding the learning from these back into our practices and processes.

Everyone is encouraged to report any product safety concerns. Robust quality is an essential building block of product safety and by following our processes we ensure that our products conform to their specification.

Always speak up about a product safety concern if you see one, report it if you have any doubt and remember, we are committed to treating everyone fairly and without prejudice in accordance with Our Code of conduct.

Always follow the parts of the Soitec Quality Management System applicable to your role. You should feel able and supported to perform the tasks assigned to you. If you are being asked to do something which you do not feel qualified and/or experienced enough to do you should discuss with your manager.

Make sure you attend the Safety Awareness training appropriate to you.

## **Related policies and documents**

Please refer to the Annexes to this Code on the intranet webpage.

## **Contact**

Group Quality Management Department

# **Quality**

## **Values**

Soitec continuously invests in facilities, technology and outstanding people so that we can constantly improve the quality and efficiency of our products and services.

Robust quality is an essential building block of product safety and by following our processes we ensure that our products and those of our suppliers conform to specification.

We are continually improving effectiveness in our operations and processes using lean principles by focusing on customer value adding activities and eliminating waste.

Process efficiencies are embedded in the Soitec Management System which is applied across the company and in all of our operations. For us to be trusted to deliver excellence, this means that quality is central to everything we do.

Each year we review performance and set improvement targets for our business processes and quality performance.

All employees should read and follow the high standards set out in the Quality procedures and processes applicable to their role that safeguard the safety, quality and reliability of our products and services.

Managers should ensure that everyone in their teams is working in a way that does not contravene any of these standards, processes or procedures.

## **Related policies and documents**

Please refer to the Annexes to this Code on the intranet webpage.

## **Contact**

Group Quality Management Department

## Protecting our assets

### Key principles

Soitec generates valuable assets, whether tangible or intangible such as its know-how, trade secrets, invention whether protection by intellectual property rights and assets entrusted by third parties.

Also, Soitec's reputation is an important asset, and any external communication shall be done following internal procedure and be coherent.

Soitec and its employees are committed to help protect such assets and preserve them against all forms of deterioration, damage, theft, or misappropriation, even after having left the Group.

### Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage. For Soitec SA please see Annex 1 to the Règlement Intérieur.

### Contacts

Legal department: [legal@soitec.com](mailto:legal@soitec.com)

Security department: [security@soitec.com](mailto:security@soitec.com)

## Confidential Information and Intellectual Property

### Values

Intellectual property is a critical element of our engineering expertise, global reach and deep industry knowledge that keeps Soitec ahead of technological improvements.

Failure to protect Soitec's intellectual property could lead to our technology advantage being eroded.

Failure to respect relevant intellectual property rights of others could lead to legal action, the confiscation of our products and significant financial penalties.

During the course of its activities, Soitec may also generate or have access to confidential data relating to its business activities.

This could include information related to external stakeholders such as customers, suppliers or other business partners. Confidential information includes but is not limited to financial data, human resources and personal data, information with respect to acquisitions, divestitures, orders and new products or business strategies, product improvements, technical information, systems, trade secrets or other know-how developed or acquired by Soitec.

## Key Principles

Intellectual property laws protect the originators of products, services and creative works. They restrict others from either copying the results of the originator's work or passing themselves off as the originator. In particular, intellectual property laws protect inventions, brands, the shape and design of articles, and the words and pictures in documents, all of which are created and used day-to-day in one form or another across Soitec's business activities.

- Registered rights in patents (a legal right to protect inventions such as design arrangements, manufacturing methods or material compositions) and trademarks (a legal right to protect names and/or logos for companies, products or services) can be applied for at government intellectual property offices and, if granted, give the owner a monopoly right preventing use by others, even if they are unaware of the right and arrived at the same result independently;
- Unregistered design rights (legal rights protecting the shape and configuration of articles) and copyright (a legal right protecting the composition of words, pictures and sounds in any medium) generally arise without registration (and are reinforced through appropriate markings, such as those in our standard document templates) and prevent direct copying by others, however unregistered rights do not prevent use by others of things they have created independently.
- Contracts are used to protect information, documents and other items and to set out ownership and rights of use of intellectual property when two or more organizations work together.

Statutory laws and your employment contract assign ownership of intellectual property you create in your job to Soitec, and Soitec is liable for the consequences of your use of intellectual property in your job, including the use of intellectual property belonging to others.

You must ensure Soitec's intellectual property receives the relevant protection available, and that you carry out your job with due respect to the intellectual property of others, including our competitors.

Access to confidential information is restricted to employees whose function specifically requires the use and handling of this data. All confidential information must be safeguarded and used only for authorized purposes. These requirements continue beyond the terms of employment.

## Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage as well as to the IP & confidentiality Group general management policy.

## Contacts

Legal department: [legal@soitec.com](mailto:legal@soitec.com)

Security department: [security@soitec.com](mailto:security@soitec.com)

# Act with Integrity

## Insider Trading

Using inside information to buy or sell securities listed on the stock exchange or sharing inside information with someone else who then trades securities listed on the stock exchange is subject to sanctions for "insider trading". These sanctions can include significant fines and prison sentences.

### Key principles

Inside information is information that is not public and is likely to have an influence on the price of Soitec shares or securities. This is particularly the case of strategic plans, trends and forecasts for sales and earnings, planned dividends, significant financial or legal commitments, pending or future mergers, acquisitions and transfers, and changes among top executives.

An insider is any person who holds inside information.

Soitec encourages its employees to become shareholders but in no event the employees may buy or sell shares or securities when they possess inside information or during no trading periods.

No inside information must be disclosed to any person other than as documented and approved in accordance with the internal procedure published on the intranet.

### Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage as well as to the Insider trading Group general management policy.

### Contact

Corporate department: [compliance@soitec.com](mailto:compliance@soitec.com)

## Internal Control

### Key principles

As a publicly listed company Soitec must provide true and accurate information in all matters related to accounting and financial reporting. Any irregularities may have serious consequences.

Soitec has an Internal Control framework in place to ensure the integrity of its books and records. We have implemented detailed processes to maintain the accuracy and reliability of accounting entries, financial reporting, and compliance with internal rules and procedures, applicable laws, regulations and requirements.

All employees have a responsibility to ensure that all records, reports or information they produce are accurate, honest, fair and timely. These records include but are not limited to: financial reports on projections, research reports, marketing information, sales reports, tax returns, expense reports, margin reports, time sheets, environmental and social information and any other documents submitted to governmental or regulatory bodies.

### **Related policies and documents**

Please refer to the Annexes to this Code on the intranet webpage.

### **Contact**

Group Head of Internal Control (Finance Department)

## **Anti-Bribery and Corruption & Gifts and Hospitality**

The Group is committed to fight against corruption and influence peddling and implements a zero-tolerance principle against those practices. These laws are complex and can give rise to severe civil and criminal penalties (including imprisonment, which can apply to persons in addition to legal entities).

### **Key principles**

As per the Group Anti-corruption Policy :

1. Payments in cash are prohibited.
2. Contributions to political parties are prohibited.
3. Facilitation payments are prohibited.
4. Any attempt to obtain any kind of preferential treatment from a public official by any means whatsoever, including gifts, invitations, cash or any other advantage is prohibited.
5. The offer and acceptance of gifts and hospitalities are strictly limited (as per Appendix 2 of the Group Anti-corruption Policy):
  - No gifts or hospitalities to government employees, whether being government officials, belonging to a government organization or a government affiliated company.
  - No gift in cash to be given to anyone.
  - Upon specific threshold, specific acceptance process.
6. No matter the amount, donations to charities may be authorized if:
  - not raising a conflict of interest,
  - of a reasonable amount, and
  - have been authorized in writing by the corresponding executive VP of the concerned department and registered with Compliance prior to engaging.
7. Sponsorships and donations to charity may be authorized provided that :



- they do not raise a situation of conflict of interest,
  - are of reasonable amount,
  - have been authorized in writing by the corresponding executive VP of the concerned department and registered by Compliance, and
  - sponsorships are strictly limited to financial contribution to professional conferences for marketing operations.
8. No commitment nor contract shall be made with customers, suppliers of 1st rank or intermediaries following specific risk factors, without having completed prior third-party due diligence, as introduced in Appendix 1 of the Group Anti-corruption Policy.
9. Any potential conflict of interests must be reported in writing by the person in a situation of conflict for prior written approval to his/her line manager in charge of whether accepting it or implementing mitigation measures and document the overall process.
10. Due diligence on the partner is conducted by the compliance department in the frame of mergers and acquisitions.

### Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage as to the Anti-corruption and anti-bribery Group general management policy.

### Contact

Compliance department: [compliance@soitec.com](mailto:compliance@soitec.com)

## Conflict of Interests

### Key principles

A conflict of interest can arise when social, economic or political activities of employees, or those close to them, influence or could influence their objectivity and loyalty to Soitec.

Working in a position or function or holding a financial interest in a competing organization, customer, supplier or commercial partner of Soitec, when your duties within Soitec allow you to have an influence over this relationship, constitutes a conflict of interest.

You must avoid conflicts of interest as your decisions at Soitec shall not be influenced by personal or private considerations.

But if you find yourself in such a situation, you must pre-declare it and inform your line manager in writing regarding any situation that could represent a conflict of interest or give the impression of influencing your judgment and actions and withdraw from decision-making that creates or could be perceived to create a conflict of interest so as to remain impartial, professional and competitive in your dealings with contractors and suppliers.

## Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage.

### Contact

Compliance department: [compliance@soitec.com](mailto:compliance@soitec.com)

## Export & Trade Control

### Key principles

Soitec commits to comply with applicable export control laws and trade regulations and with applicable sanctions and embargoes (the “Trade Regulations”).

Soitec classifies products and technology requiring export licenses, and obtains licenses when required. Soitec implements controls to not deal with parties subject to embargo sanctions or export blacklists.

Non-compliance with Trade Regulations can result for Soitec in charges, fines and impact on operating our business: difficulties in obtaining licenses, risk of being blacklisted by governments, disruption or termination of relations with banks and suppliers, restrictions on travel.

For Soitec employees such failure can result in serious consequences including fines and/or imprisonment.

## Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage as to the Export control Group general management policy.

### Contact

Group Export Control Manager  
Compliance department: [compliance@soitec.com](mailto:compliance@soitec.com).

## Anti-money laundering

### Key principles

Money laundering is the process of taking funds obtained from criminal activities such as tax evasion, corruption, financial fraud, or terrorism and disguising the illegally obtained funds to make them look legitimate.

In that respect, Soitec is conducting its business with reputable customers involved in legitimate business activities and only accepts funds received from legitimate sources.

## Know your Partner

### Key principles

It is required to complete integrity check and/or export and trade controls verifications prior to engaging with third parties as per criteria defined in the Anti-Corruption and Bribery Policy and/or Export & Trade Control Policy.

### Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage.

### Contact

Compliance department: [compliance@soitec.com](mailto:compliance@soitec.com)  
Group Export Control Manager

## Fair Competition

### Key principles

The Group is committed to complying with antitrust laws and regulations and does not tolerate any violation. You must not:

- agree with a competitor to not compete;
- agree with a competitor to fix prices or allocate markets or market shares;
- agree with a competitor on production or sales quota.

In addition, an arrangement with a customer or a supplier, which has the object or the effect to exclude a competitor from the market or to restrict market access is likely illegal and requires prior assessment by the Compliance team before being made.

### Related policies and documents

Please refer to the Annexes to this Code on the intranet webpage as well as to the Antitrust Group general management policy.

### Contact

Compliance department: [compliance@soitec.com](mailto:compliance@soitec.com)

# Reporting violations

## What can be reported?

- Any violation of the Code of Conduct, and/or
- Any other type of violations national applicable law defines as being eligible to reporting (for France please see notably all the subjects defined by the “Loi n°2022-401 du 21 mars 2022 visant à améliorer la protection des lanceurs d'alerte”, among which information relating to a crime, an offense, a threat or harm to general interest, violation or attempt to concealment of a violation of an international agreement, violation of any regulation to the extent it involves or impacts Soitec).

## Who may report?

Any Soitec employee, including temporary staff, internship students or apprentices, as well as ex-employees and any other third parties (such as shareholders, any Board members, subcontractors) may report a violation, provided they do not receive any financial compensation/are not remunerated in any way for reporting.

## How shall the report be made?

The report may be in writing or orally, either addressed to the line manager and/or Human resources department and/or Compliance department, or by email to [ethics\\_alert@soitec.com](mailto:ethics_alert@soitec.com).

The report may be made when an individual:

- witnesses or is aware of a violation,
- acts in good faith.

For the avoidance of doubt, the facts, information, or documents, whatever their form or medium, covered by national defense secrecy, medical secrecy or confidentiality of relations between lawyers and their clients, will not be eligible for a report hereunder.

Further information on the “Management of Incident Reports under Soitec’ Code of Ethics and Business Conduct” is detailed in the Appendix hereto.

## How is the violation report processed?

- The alert is processed by a qualified person, not having a conflict of interest in relation to the violation reported and bound by a confidentiality agreement.
- The process guarantees the protection of the identity of the issuer as well as the persons targeted and the nature of the events.
- If necessary, an investigation is carried out to enable facts to be established, and elements of proof to be obtained, and must make it possible to ensure the reality and materiality of the facts reported.

- Depending on the outcome of the investigation, disciplinary or legal proceedings may be initiated.
- If misconduct is confirmed, Soitec considers not only appropriate disciplinary action for the employees involved, but also engages in a root cause analysis of the misconduct in order to continuously improve ethics and compliance procedures.

In case of any uncertainty or doubt regarding the interpretation of any clauses of this Code, Soitec's employees may consult their direct manager, the Human Resources Department or the Legal Department. Third Parties may consult the Legal Department. They will advise you about the best way to proceed.

# Appendix

## Management of incident reports under Soitec's Code of Conduct

### Complementary to local reporting

The reporting process to the Group [ethics\\_alert@soitec.com](mailto:ethics_alert@soitec.com) Correspondent is complementary to any other local hotlines put in place.

Any incident report will be treated with the highest degree of confidentiality and confidentiality of the person making the incident report will be guaranteed as well as all personal confidential data as they are collected, communicated and preserved.

### Notification of Group Ethics Correspondent

Any incident report which has been made either through regular hierarchical reporting channels existing in the Group or hereunder must be transferred immediately to the [ethics\\_alert@soitec.com](mailto:ethics_alert@soitec.com), who in turn, in strict compliance with the law and depending on the subject of the incident report, on a need to know basis, must inform the General Management and the Audit Director.

### Protection of individual rights

Soitec guarantees that no employee or stakeholder who are reporting an incident, or those who assist to report an incident in good faith shall be subject to any form of retaliation or disciplinary action. Anonymity of the person reporting shall be protected by all means.

### Information about the individuals named in a report

Any person who is the object of an incident report and who is subject to the verification process hereunder report will be presumed innocent. The person will be informed by the management, heard in the frame of the verification process unless the process is abandoned.

When conservatory measures are necessary, in particular to prevent the destruction of evidence, the person who is the object of a report will be informed after the adoption of these measures.

The recipient of the incident report is contractually bound by an enhanced obligation of confidentiality and will recall this obligation of confidentiality to any person who, in accordance herewith, may receive personal data when necessary for the handling of the report at certain stages.

### Data Security and Data Rectification

The recipient of the incident report will take every necessary precaution to preserve the security of the data as it is collected, communicated and preserved.

In accordance with French data protection law, any individual identified hereunder will have a right of access and of rectification of any personal information related to him/her by contacting [dpo@soitec.com](mailto:dpo@soitec.com). Reports may only be kept for the time strictly necessary and proportionate to their processing and to the protection of their authors, the persons they target and the third parties they mention, taking into account the time limits for any additional investigations. Data relating to reports may however be kept beyond this period, provided that the natural persons concerned are neither identified nor identifiable.



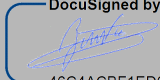
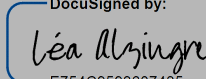

**SCHEDULE 2**  
**INSIDER TRADING**

# GROUP GENERAL MANAGEMENT

## POLICY 2

### Insider trading

Référence	Version	Date
YUZIT	1	May 2022

Validation	Signature
Paul Boudre, CEO	<div>DocuSigned by:</div>  <div>46C4ACBF1ED643C...</div>
Léa Alzingre, CFO	<div>DocuSigned by:</div>  <div>E754C9593607435...</div>
Patrick Noonan, General Counsel	<div>DocuSigned by:</div>  <div>6AE90D6E608A46A...</div>

**Executive summary:**

- Any person in the group detaining inside information shall comply with this Group general management policy.
- Inside information is any information that directly or indirectly concerns the Soitec Group and is likely to have an effect on the price of the shares or other securities.
- Any person in possession of inside information may not buy or sell Company shares and may not disclose information to anybody else.
- The Company implements strict procedure to identify who is in possession of inside information and when to disclose information to the market (normally as soon as possible)



**Inside information** is information that directly or indirectly concerns Soitec SA (the "**Company**"), the Soitec Group and/or its shares or other securities and that is accurate, non-public and likely to have a significant effect on the price of the shares or other securities. Examples (non-exhaustive list):

- forecasted or actual results of significantly different (up or down) from forecasts communicated by Soitec or with the market consensus;
- the ex-dividend date;
- a proposed acquisition, disposal, merger or restructuring;
- a significant partnership or financial transaction;
- material and significant changes in commercial activity such as new products, new manufacturing process, acquisition or loss of a customer, acquisition or loss of a contract ;
- a capital transaction, a financing transaction;
- a change in the management team;
- a major event or incident affecting the availability or security of the Soitec group's resources or the conduct of its operations;
- a dispute, trial, investigation or proceeding of significant importance.

An **insider** is any person who holds inside information.

The Company is required to make public "as soon as possible" any inside information concerning it. Nevertheless, it may, under its own responsibility, decide to defer publication (except in the case of Profit-Warning), if:

- the immediate publication of the information may prejudice its legitimate interests;
- delayed publication of the information would not mislead the public; and,
- the Company is able to ensure the confidentiality of the inside information.

The Company must register its insiders on an insider list, notify such persons of their registration/deregistration and keep this list available to the French financial markets authority ("*l'Autorité des Marchés Financiers*").

The Company has implemented an internal procedure relating to the management of inside information (the "**Internal Procedure**"), set forth in the following [link](#).

As long as the information is an inside information, all insiders are bound by the abstention obligations detailed in the Internal Procedure and must:

- not disclose the information to another person, except when such disclosure is made in the normal course of work, profession or duties, and if it is made in accordance with the Internal Procedure;
- not to carry out, or attempt to carry out, directly or indirectly, for its own account or for the account of others, any transaction in Soitec's shares or any other financial instrument.

The scrupulous respect of these obligations is mandatory. Violation could constitute an administrative or penal offense subject to heavy sanctions, more amply detailed in the *Reminder of the stock market rules* available at the following [link](#).



In addition, corporate officers and persons listed on the "negative windows" list must refrain from engaging in any transaction relating to Soitec securities:

- 30 calendar days before Soitec issues a press release announcing its annual preliminary or definite results and half-year results (including the day of issue);
- 15 calendar days before Soitec issues a press release relating to its quarterly financial information (including the day of issue).

Free performance shares may not be sold within the period of 30 calendar days prior to the date of publication by Soitec of a press release announcing its annual and half-yearly results (or if the beneficiary concerned has knowledge of insider information).

The Company may not grant stock options during "negative windows".

The "negative windows" are supplemented by an embargo period of 15 or 30 days prior to the publication of annual and half-yearly or quarterly results ("quiet period"), during which no new information on the Company's business and results may be provided to financial analysts and investors.

Some operations are prohibited in all cases, it being specified that the following operations are not based on regulations but on good practice:

- the purchase/sale transactions of securities for speculative purposes, and in particular so-called "short" transactions in which the trader does not own the securities he is selling or reselling;
- purchase and sales transactions within a period of less than one month (with the exception of the sale of shares resulting from the exercise of share purchase or subscription options);
- for corporate officers, all hedging transactions of any kind, on securities in connection with the exercise of stock options and free shares grant.

Corporate officers and related persons are required to report to the Company and to the French financial markets authority, by electronic means, transactions carried out by them (or by a third party acting on their behalf), within 3 working days of their completion if the aggregate amount exceeds €20,000 for the current calendar year.

The Company must keep insider information on its website for 5 years.



**SCHEDULE 3**

**AUDIT AND RISKS COMMITTEE**

**CHARTER**

## Audit and Risks Committee charter

### **Pre-approval process for non-audit services that may be provided by the Company's auditors and their networks**

The provision of non-audit services is subject, according to the conditions set out in the new provisions of the French Commercial Code (*Code de commerce, article L. 822-11-2*), to the following:

- (i) The approval of the Audit and Risks Committee
- (ii) The statutory auditor's verification of its independence.

This approval by the Audit and Risks Committee is required for the provision of non-audit services by the statutory auditor, or members of its network, in France or abroad, to the public interest entity (PIE) of which he certifies the financial statements, or to its controlling companies or to its controlled companies within the meaning of I and II of Article L. 233-3 of the French Commercial Code.

To that end, the Audit and Risks Committee reviews the nature and scope of the services submitted for its approval, based on the laws and regulations governing statutory auditors' independence.

The implementation of these requirements involves distinguishing between:

- (i) Audit services and non-audit services;
- (ii) Within the category of non-audit services: prohibited services and permissible services.  
The latter may be required in order to comply with laws and regulations or may be voluntarily entrusted to the statutory auditor.

Within the present charter having been validated by the Board of Directors on October 29, 2017 and being since this date annexed to its internal regulations, and in the absence of any procedure laid down in the relevant legislation, the Audit and Risks Committee has put in place a procedure enabling it to meet its obligations, by drawing up a list of non-audit services that may be provided by the statutory auditor or its network, with the related authorization procedures.

Each year, the Audit and Risks Committee will re-examine and pre-approve the list of these services and the list of prohibited services. If necessary, the Audit and Risks Committee may review and amend these lists at any time. All pre-approvals are granted for 12 months, unless the Audit and Risks Committee otherwise decides.

The appendices hereto set out the following:

- (i) Statutory audit services that do not require an Audit and Risks Committee's pre-approval other than the approval needed for the audit fees budget.
- (ii) Non-audit services required by the texts, of which the fulfilment is compulsory as per the laws and regulations that do not require a pre-approval of the Audit and Risks Committee<sup>1</sup>.
- (iii) Permissible non-audit services, pre-approved by nature of missions<sup>2</sup>. This pre-approval by nature is adapted for services commonly provided by the statutory auditor, for which an independence analysis has already been performed, and which do not present any threat concerning the statutory auditor's independence. The list of the said services pre-approved by nature will be re-examined at least once a year by the Audit and Risks Committee.
- (iv) Permissible non-audit services, for which an individual approval is necessary. The Audit and Risks Committee takes a decision after analyzing the threats relating to independence and the safeguard measures applied by the statutory auditor. It formalizes its conclusions.
- (v) Prohibited services for the statutory auditor and its network.

#### **Article 1 - Statutory audit services**

Statutory audit services do not have to be approved by the Audit and Risks Committee. The statutory auditors' terms and conditions and fees are submitted to the Audit and Risks Committee, before their intervention.

These services include all work that is non-detachable from the statutory audit, namely all the work necessary for the issue of the audit reports and the reports and attestations that must be made available to the ordinary general meeting of shareholders to approve the financial statements.

They therefore include:

- The certification of the annual financial statements,
- Work on internal control contributing to the issue of the opinion, including when required as a result of a listing abroad (for example, work required by the American Sarbanes-Oxley (SOX) law),
- The limited review of quarterly or half-yearly financial statements,
- The review of regulated agreements,
- The review of the management report, or the annual financial report,
- The review of the registration document,
- Work relating to the reporting package,
- Attestations that have to be made available to the ordinary general meeting of shareholders to approve the financial statements,

---

<sup>1</sup> as confirmed by the H3C on November 7, 2016

<sup>2</sup> as confirmed by the H3C on July 26, 2017

- Work relating to forecast documents, the early warning procedure, and the disclosure of offences, etc.

Where relevant, the Audit and Risks Committee approves any change to the statutory auditor's terms, conditions and fees that may result from changes to the scope of statutory audit services provided, notably upon the occasion of changes to the structure of the Company and/or the group or of any other event.

These services are described in **Appendix 1** hereto.

## **Article 2 - Non-audit services required by laws or regulations**

These services concern specific operations initiated by the entity or at the specific request of the regulators. They include in particular:

- Work relating to the issue of reports to extraordinary general meetings of shareholders (reports on share capital transactions - issue of shares with cancellation of preferential subscription rights, decrease in capital, etc.),
- Work relating to an issue note or a prospectus in the case of market transactions (e.g. admission of securities to trading, public issues, etc.),
- Work that may be required by the regulators for certain categories of company.

The Audit and Risks Committee does not have the power to disapprove the provision of such services. As a consequence, no pre-approval is required.

## **Article 3 - Non-audit services authorized by nature**

Within the framework of this procedure, the Audit and Risks Committee authorizes, in principle, the provision of categories of non-audit services that in theory do not raise difficulties concerning the statutory auditor's independence, as they are commonly provided by the statutory auditor.

The Audit and Risks Committee takes a decision on the basis of an attestation by the statutory auditor confirming that the services do not present any risk for the latter's independence, given their purpose and conditions of application.

The list of these services is provided in **Appendix 2**.

These services are pre-approved by nature by the Audit and Risks Committee upon submission of the fees budget and the annual audit plan.

The finance department, under the responsibility of the general management, verifies, upon receipt of the services proposal, that the services fall within the scope of services pre-approved by nature and that they comply with the thresholds defined by the Audit and Risks Committee and the overall budget allocated if applicable. Failing that, the Audit and Risks Committee will be asked to issue an individual approval.

It is the general management's responsibility to list and report the services authorized under an approval by nature of service and to communicate this information to the Audit and Risks Committee.

These services concern in particular:

- Audit other than the certification of the financial statements,
- Limited reviews other than those contributing to the certification of the financial statements,
- Findings upon the performance of procedures agreed with the entity,
- Attestations,
- Technical consultations,
- Services provided in relation to the acquisition of an entity,
- Services provided in relation to the sale of an entity,
- Technical consultation relating to internal control,
- Services relating to sustainability assurance,
- Comfort letters within the context of market transactions,
- Insurance reports / reports on agreed-upon procedures relating to internal control processes (ISAE 3402).

#### **Article 4 - Non-audit services requiring individual approval**

This concerns non-audit services that are not listed in **Appendix 2** and are not included in the prohibited services in **Appendix 3**.

These services must be analyzed individually and approved by the Audit and Risks Committee. The Audit and Risks Committee takes a decision after analyzing the independence threats and the safeguard measures applied by the statutory auditor, based on an attestation provided by the latter documenting the analysis that has led it to conclude that the service complies with the ethical principles and independence rules applicable.

The Audit and Risks Committee then formalizes its conclusions, according to which the nature of the services authorized does not pose a threat to the statutory auditor's independence.

#### **Article 5 - Prohibited services**

In order to avoid any risk of impairment of independence, legislative and regulatory frameworks<sup>3</sup> prohibit certain services. A general list of services that the statutory auditor and its network are prohibited from providing is given in **Appendix 3**. Depending on their definition and the possibility of invoking derogations resulting from applicable local laws and regulations, these engagements and services will, if necessary, be analyzed and verified.

---

<sup>3</sup> European Regulation, French Statutory Auditors' Code of Ethics and, where applicable, SEC rules

## **Article 6 - Scope of application**

This approval of the Audit and Risks Committee is required for the provision of non-audit services by the statutory auditor, or members of its network, in France or abroad (in or outside Europe), to the public interest entity (PIE) of which he certifies the financial statements, or to its controlling companies or its controlled companies within the meaning of I and II of Article L. 233-3 of the French Commercial Code.

For the determination of the scope of the approval procedure, a company is deemed to control another<sup>4</sup>:

- when it directly or indirectly holds a fraction of the capital giving it the majority of the voting rights at general meetings of shareholders of said company;
- when it alone holds the majority of the voting rights in that company pursuant to an agreement entered into with other shareholders that is not against the interests of the company;
- when, in effect, by the voting rights that it holds, it determines the decisions taken at the general meetings of shareholders of that company;
- when it is a shareholder of that company and has the power to appoint or remove from office the majority of the members of the administrative, management or supervisory bodies of that company.

## **Article 7 - The statutory auditor's verification of its independence**

In addition to the annual independence attestation provided for by Article 6 of the European Regulation, a statutory auditor must ensure, for each engagement considered by it or by its network, that a non-audit service is not prohibited and that its provision does not pose a threat to the statutory auditor's independence with regard to the company being audited.

The statutory auditor's verification of its independence takes several forms, depending on the services considered:

- (i) For services required by EU legislation or by a French legislative or regulatory provision, given that they cannot affect the statutory auditor's independence and are not taken into account for the calculation of the cap on fees, the statutory auditor merely indicates the text in respect of which the service is provided;
- (ii) For services that are subject to the procedure consisting of the Audit and Risks Committee's approval by nature, the statutory auditor's verification of its independence involves justifying that the service provided complies with the nature of work performed and the scope of services commonly provided, without any threat to its independence, and formalizing this by means of an attestation of compliance;

---

<sup>4</sup> within the meaning of I and II of Article L. 233-3 of the French Commercial Code



- (iii) In all other cases, the statutory auditor performs an analysis of the compatibility of the service with the prohibitions provided for by laws and regulations as well as with the fundamental principles of independence guiding the practice of its profession, notably the principles that prohibit interference in management, the performance of acts of management or administration, the representation of the company's interests and self-review.

In addition:

- (i) Once a year, the statutory auditor informs the Audit and Risks Committee of the amount of the fees that have been received by it or by the members of its network, according to the format prescribed by the laws and regulations in force;
- (ii) When half-yearly and annual financial statements are drawn up, the statutory auditor presents a summary detailing the nature and amount of each non-audit service performed;
- (iii) At each close of the accounts, the statutory auditor confirms that it is independent within the meaning of the laws and regulations in force and that it has applied the rules laid down by the Audit and Risks Committee.

#### **Article 8 - Overall cap on fees**

For each fiscal year, the amount of fees received by the statutory auditor for non-audit services shall not under any circumstances exceed an amount equal to 70% of the average of the fees paid in the last three consecutive fiscal years for the statutory audit services.

Such cap will come into force as from the fourth fiscal year starting after 16 June 2016.

#### **Article 9 - Summary oversight of services provided**

Once a semester, the general management will inform the Audit and Risks Committee of the level of and changes to the amount of fees estimated and received by the statutory auditor and its network for each type of non-audit service.

#### **Article 10 - Authorized budget and fees**

The budgets and fees relating to the engagements and services to be provided by the statutory auditor will be pre-approved by the Audit and Risks Committee at least once a year.

Engagements and services proposed for which the amount exceeds the pre-approved budgets and/or fees will be subject to prior specific approval by the Audit and Risks Committee.

In this frame, the Audit and Risks Committee delegates to its Chairman the review of any specific pre-approval request and the power to give or refuse authorization in respect of the procedure set out herein, provided that its Chairman reports thereon to the Audit and Risks Committee at its next meeting.

The Audit Committee will review the level of and changes to the amount of fees estimated and received by the statutory auditor and its network during each financial year and for each type of service.

#### **Article 11 - Implementation of the procedure**

The CFO shall be responsible for the circulation of this procedure, including any changes that may be made thereto, within the Company, its parents and subsidiaries, as well as to the Company's principal and deputy statutory auditors.

It is the responsibility of the Company's statutory auditors to ensure that this procedure is duly circulated to the firms and auditors belonging to their networks who perform audit engagements or other services for entities of the group.

Requests for approval of services to be provided by the statutory auditor or members of its network that do not require prior individual approval by the Audit Committee are made to the CFO together with a detailed description of the services that the statutory auditor or members of its network propose to provide. He verifies that the proposed services fall within a category that has received the pre-approval by nature of the Audit and Risks Committee. The Audit and Risks Committee will be periodically informed of the services thus approved and provided by the statutory auditor or members of its network in accordance with this procedure.

When the individual approval of the Audit and Risks Committee is required, the request will be made to it both by the CFO and if applicable the statutory auditor concerned, and must contain opinions issued by the Company and by the statutory auditor on the compliance of such services with the rules governing auditor independence.

The Audit and Risks Committee is responsible for overseeing the provision of the services provided by the statutory auditors and members of its network.

In accordance with the applicable rules, the fees paid to the statutory auditors and their networks are detailed in the registration document filed in France with the AMF (French regulatory authority).

**Appendix 1: List of statutory audit services that do not require approval by the Audit and Risks Committee**

Certification of the annual financial statements
Work on internal control that contributes to the issue of the audit opinion, including when they are required as a result of a listing abroad (for example, work required by the American Sarbanes-Oxley (SOX) law)
Limited review of quarterly or half-yearly financial statements
Review of regulated agreements
Review of the management report or the annual financial report
Review of the registration document
Work relating to the reporting package (for an entity included in a consolidation)
Attestations to be made available to the ordinary general meeting of shareholders to approve the financial statements
Work relating to forecast documents, the early warning procedure, disclosure of offences, etc.

**Appendix 2: List of non-audit services by nature**  
**(pre-approved by the Audit and Risks Committee)**

Audit other than the certification of the financial statements
Limited review other than the certification of the financial statements
Findings further to procedures agreed with the entity (financial elements, internal control, fraud)
Attestations
<p>Technical consultation:</p> <ul style="list-style-type: none"> <li>- opinion on how the entity proposes to reflect a past or proposed transaction in the accounts, based on a given set of accounting standards;</li> <li>- opinion on the consequences of a transaction in terms of financial or accounting information according to the different methods proposed and described by the entity, based on texts, draft texts or practices;</li> <li>- opinion on the compliance with the applicable accounting texts, of a manual of accounting principles or procedures, a chart of accounts or a reporting package format, drawn up by the entity, including in draft state;</li> <li>- opinion on the approach defined by the entity to implement accounting standards or to identify divergences between the standards applied by the entity or group and new standards applicable. This service shall not involve participating in the drafting of procedures or in drawing up data or documents, or in setting them up.</li> </ul>
<p>Training:</p> <ul style="list-style-type: none"> <li>- Training on principles and obligations of accounting and financial reporting;</li> <li>- Training relating to a particular context, for a clear understanding of the existing or draft texts, interpretations and best practices;</li> <li>- Training on the general consequences or difficulties of understanding existing or draft texts.</li> </ul>
<p>Services provided upon the acquisition of an entity:</p> <ul style="list-style-type: none"> <li>- Procedures implemented within the context of potential acquisitions with the exception of advisory services and the valuation of the target</li> <li>- Audit of the opening / closing balance within the context of an acquisition</li> </ul>
<p>Services provided upon the sale of a company:</p> <ul style="list-style-type: none"> <li>- Attestation or certification of the accounts of entities being sold</li> <li>- Procedures implemented within the framework of potential sales, with the exception of advisory services, negotiation services and the valuation of the target</li> </ul>
Technical consultation on internal control relating to the preparation and processing of accounting information
Services relating to social and environmental reporting: attestations, consultation, agreed-upon procedures, issue of assurance reports on social and environmental information or on the procedures to establish such information, verification of CO2 emissions

Comfort letter within the scope of market transactions
Insurance reports / agreed-upon procedures: <ul style="list-style-type: none"><li>- ISAE 3402</li><li>- ISAE 3000</li></ul>

**Appendix 3: List of services prohibited by the European Regulation and additional list of services prohibited in France**

**1. For entities audited, parent companies or subsidiaries in France and in Europe**

**List of services prohibited by the European Regulation**

- a. tax services relating to:
  - (i) preparation of tax forms\*;
  - (ii) payroll tax;
  - (iii) customs duties;
  - (iv) identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law\*;
  - (v) support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law\*;
  - (vi) calculation of direct and indirect tax and deferred tax\*;
  - (vii) provision of tax advice\*;
- b) services that involve playing any part in the management or decision-making of the audited entity;
- c) bookkeeping and preparing accounting records and financial statements;
- d) payroll services;
- e) designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
- f) valuation services, including valuations performed in connection with actuarial services or litigation support services\*;
- g) legal services, with respect to:
  - (i) the provision of general advice;
  - (ii) negotiating on behalf of the audited entity; and
  - (iii) acting in an advocacy role in the resolution of litigation;
- h) services related to the audited entity's internal audit function;
- i) services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity;

- j) promoting, dealing in, or underwriting shares in the audited entity;
- k) human resources services, with respect to:
  - (i) management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve:
    - searching for or seeking out candidates for such position; or
    - undertaking reference checks of candidates for such positions;
  - (ii) structuring the organisation design; and
  - (iii) cost control.

\* These services may be provided within the EU countries that authorize them as derogation in accordance with Article 5.3 of the EU regulation, provided that the statutory auditor has analyzed the risks and has notably checked that the risks have no direct effect or a non significant effect on the audited financial statements<sup>5</sup>. Such opinion on the audited financial statements must be documented and explained in the complementary report that will be provided to the Audit and Risks Committee.

#### **Additional list of services prohibited in France<sup>6</sup>**

- a) Services aiming at the preparation of a financial information or communication;
- b) Legal advice services, as well as services aiming at drafting legal documents or establishing and keeping corporate books and records;
- c) Audit of contributions and merger;
- d) Handling, even partially, an outsourcing service;
- e) Management or custody of monies.

## **2. For non-EU subsidiaries**

- a) Three prohibited services:
  - (i) services that involve playing any part in the management or decision-making of the audited entity;
  - (ii) bookkeeping and preparing accounting records and financial statements;
  - (iii) designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems.
- b) For other services carried out by the network for subsidiaries located outside the EU, the statutory auditor performs a risk analysis and assesses whether its independence would be compromised (notably with regard to the self-review risk) and if necessary applies safeguards to mitigate the threats caused by such provision of services.

---

<sup>5</sup> According to the principle of non-extraterritoriality of the French prohibitions confirmed in the law no. 2016-1691 of December 9, 2016 (known as “Sapin 2 Act”)

<sup>6</sup> According to the deontology code applicable since June 1, 2017. This additional list is applicable only for the French entities.

**3. For controlling companies outside the European Union**

In the absence of any list of prohibited services for entities whose registered office is located outside the European Union, that control the public interest entity being audited, the statutory auditor must nevertheless perform a threats analysis/apply safeguards to ensure that there is no threat to its independence.