



**BOARD OF DIRECTORS  
RULES OF PROCEDURE**

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## Preface

The powers of the Board of Directors and the rules governing its operation, and the role of the Censor, are set out in the Commercial Code (Articles L. 22-10-3 to L. 22-10-17) and in Articles 10 to 16 of the by-laws of the company.

Directors or Censors shall be informed of these legal and statutory provisions and of these Rules of Procedure and Annexes and shall ensure they are respected.

The Board of Directors' principal characteristics and duties, as defined by law or in the by-laws, are as follows:

- The Board of Directors has at least three and no more than 18 members, appointed by the Annual General Meeting. The term of office of those directors is three years;

In addition to those directors there is one director elected by the Annual General Meeting to represent the employee share ownership fund set up as part of the Group's employee savings schemes. This director also has a term of office of three years;

- Pursuant to Article L225-27-1 of the French Commercial Code, two members of the Board of Directors are employee representative Directors, appointed by the two trade unions that obtained the most votes in the first round of the elections mentioned in Articles L.2122-1 and L.2122-4 of the French Labour Code. The term of office of those directors is two years.
- In accordance with Article 16 of the by-laws, the Board of Directors may appoint one or several Censors for a three-year term of office;
- The Board elects from among its members a Chairman, who organises and directs its work and ensures that company bodies function properly;
- The Board entrusts the executive management of the company either to the Chairman of the Board of Directors or to another natural person, who may or may not be a director, and who has the title of Chief Executive Officer; The Board must explain the reasons for its decision;
- The Board may, on a proposal from the Chief Executive Officer, appoint up to five Deputy Chief Executive Officers to assist the Chief Executive Officer. The Board sets their term of office and the scope of their powers in agreement with the Chief Executive Officer.
- The remit of the Board of Directors shall include *inter alia*:
  - determining the strategic priorities of the company's business and ensuring they are implemented (hereafter the "company" is relating to the company and its subsidiaries).
  - subject to powers granted by law to general meetings of shareholders, dealing with issues affecting the proper functioning of the company and with matters concerning it;
  - performing the checks and verifications it deems appropriate;
  - subject to powers granted by law to general meetings of shareholders, determining the remuneration of the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers;
  - considering company policy on professional and pay equality once a year.

The Board shall promote the creation of long-term value by the company while taking account of the social and environmental issues relating to its activities.

The company has elected to refer to the recommendations of the Corporate Governance Code of Listed Corporations as revised by Afep and Medef (the "Afep-Medef Code"), which is appended to these Rules of Procedure. The Board of Directors' Report on corporate governance shall indicate any derogations from that Code, and the reasons for those derogations.

These Rules of Procedure take into account the fact that under the Privatisation Act of September 30, 1986, a group of investors led by the Bouygues group was assigned 50% of the capital of TF1 on April 4, 1987; and since January 27, 2006 Bouygues has been the last and sole participant in the privatisation of TF1. In that capacity it is responsible for honoring the commitments made by the group of investors, particularly with regard to the continuity of operations.

## **ARTICLE 1**

### **Composition of the Board of Directors**

At least one third of the directors shall be persons who are independent within the meaning of the Afep-Medef Code (hereinafter "independent directors"). Directors representing employees and director representing employee shareholders shall not be included when calculating the proportion of independent directors. The criteria for qualification as an independent director are given in Article 5 of these Rules of Procedure.

The company applies a diversity policy to the composition of the Board of Directors in terms of criteria such as age, gender, qualifications and professional experience.

## **ARTICLE 2**

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

In principle, the Board of Directors meets in ordinary session at least once every quarter:

- in the first quarter: in January, business plans and the financing policy for the business segments and the Group shall be presented to the Board of Directors for approval. In February, the Board shall close off the financial statements for the previous financial year; it finalises the text of the reports and of the draft resolutions to be submitted by the Board to the Annual General Meeting.;
- in the second quarter, it shall close off the first-quarter financial statements;
- in the third quarter, it shall close off the first-half financial statements, the strategic priorities are presented to it for approval.
- In the fourth quarter, it shall close off the nine-month financial statements it shall review the Group's estimated sales and earnings for the previous financial year.

Other Board meetings shall be held as the Group's business requires.

A separate session shall be held at least once a year at which no Executive Officers are present.

In addition to the aspects of the Board's remit mentioned in the Preface, the Board of Directors shall:

- with the assistance of an ad hoc committee if needed, determine the company's strategic priorities;
- examine and make decisions on major transactions;
- have submitted to it for prior approval any transaction regarded as being of major significance for the Group, involving investments, organic growth, external acquisitions, disposals or internal restructuring, particularly where the transaction is outside the scope of the company's stated strategy;
- authorise major financing transactions via public offerings or private placement, and the principal guarantees and major commitments;
- exercise control over management and oversee the quality of the information supplied to shareholders and to the markets, in particular through the financial statements and in connection with major transactions;
- perform regular reviews of opportunities and risks, including risks of a financial, legal, operational, social or environmental nature, and assess their impact on the strategy determined by the Board and the measures taken as a consequence, and to that end receive all information necessary to fulfil its remit, especially from the Executive Officers;

- obtain assurance that mechanisms are in place to prevent and detect corruption and influence peddling, and receive all necessary information to that end;
- obtain assurance that senior management is applying a policy of non-discrimination and diversity, especially in terms of gender parity on executive bodies;
- on a proposal from senior management, sets gender balance objectives for the executive bodies, and includes in the Report on corporate governance a description of the gender balance policy applied to executive bodies; the objectives of that policy, how the policy is implemented the action plan established in this way and the outcomes achieved in the last financial year; and where applicable, the reasons why the objectives have not been met, and steps taken to remedy the situation;
- sets multi-annual strategic guidelines on social and environmental responsibility; examine the measures implementing this strategy, with an action plan established in this way; examine the results that were reached and, on climate-related issues, the relevance, if any, of adapting the action plan or changing the objectives in the light of, inter alia, the evolution of the company's strategy, technologies, shareholders expectations and the economic capacity to implement them;
- approves regulated agreements under the conditions laid down by law;
- implements a procedure that regularly assesses whether ordinary agreements contracted on an arm's length basis meet those conditions;
- appoints the members of the Honesty, Independence and Pluralism of Information Committee in accordance with Article 30-8 of the law No 86-1067 of 30 September 1986 as amended.

At the request of the Chairman of the Board or by decision of the Board, the Chief Executive Officer (if the functions of Chairman and Chief Executive Officer are not separate), the Deputy Chief Executive Officers, members of management, the statutory auditors or other persons with special skills in matters on the agenda may attend all or part of a Board meeting. In accordance with the Commercial Code, the statutory auditors shall attend all Board meetings at which the interim or full-year financial statements are examined or closed off.

### **ARTICLE 3: Quorum**

Directors who take part in Board meetings by videoconference or other telecommunications systems shall be considered present for the calculation of the quorum and majority.

In accordance with the Commercial Code, this provision shall not apply for the following:

- closing off the full-year parent company financial statements and the management report;
- closing off the consolidated financial statements and the Group management report, if it is not included in the annual report.

The videoconferencing or other telecommunications systems used must have the technical capability to allow the directors to be identified and to participate effectively in the Board meeting. The minutes of the meeting shall note any technical incident during the videoconference or telephone communication that has interfered with the meeting.

### **ARTICLE 4: Directors' Access to Information**

The Chairman or the Chief Executive Officer shall provide each director with all documents and information necessary to fulfil their remit properly, in particular as regards:

- those aspects of their remit mentioned in the Preface and in Article 2;
- market trends, the competitive environment and the main challenges facing the company, including corporate social responsibility issues;
- the progress of business activities, in particular sales figures;
- the financial position, in particular the company's cash position and commitments;
- any event that materially affects the Group's consolidated financial results or that may do so;
- material events in the human resources area, including trends in headcount;
- major risks to the company, any change therein, and the steps taken to control those risks.

Once each quarter, senior management shall report to the Board of Directors on the previous quarter's operations and consolidated results.

The company shall also provide directors with appropriate information between meetings of the Board throughout the life of the company, if the importance or urgency of the information so requires. Such ongoing disclosure should also include any relevant information relating to the company, including criticism, such as articles in the press and financial analysts' reports.

Directors may obtain additional information on request. The Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers shall always be at the Board's disposal to provide explanations and relevant information.

Directors may also meet with the company's senior executives, and may do so without the Executive Officers present provided that the latter have been informed beforehand.

Committees tasked by the Board of Directors with addressing specific issues shall help to keep the Board well informed through their work and reports.

Directors shall always receive any document that the company and its subsidiaries have issued publicly, particularly information for shareholders.

Directors may request additional training relating to the specific characteristics of the company, its business segments and the sectors in which it operates, and corporate social responsibility issues facing the company.

Directors representing employees and director representing employee shareholders shall receive training appropriate to the exercise of their duties.

#### **ARTICLE 5: Independent Directors**

The Board of Directors shall identify directors as independent based on substance rather than form. To this end, the Selection and Remuneration Committee shall give an opinion on the situation of each Board member.

The Afep-Medef Code makes the following recommendations to boards of directors:

1. The classification of directors as independent should be discussed by the appointments committee in light of the criteria set out below, and should be determined by the Board, on the occasion of the appointment of a director and annually for all directors.
2. The shareholders should be made aware of the conclusions of this review.
3. The Board of Directors may consider that although a director meets the criteria set out below, he or she cannot be held to be independent owing to the specific circumstances of that person or of the company, due to its ownership structure or for any other reason. Conversely, the Board of Directors may decide that a director who does not meet those criteria is nevertheless independent.
4. A director is independent when he or she has no relationship of any kind whatsoever with the company, its group or its management that may interfere with his or her freedom of judgement. Accordingly, an independent director is understood to be any non-executive director of the company or its group who has no particular bonds of interest (significant shareholder, employee, other) with either the company or its group.
5. The criteria to be reviewed by the Committee and the Board in order for a director to qualify as independent and to prevent risks of conflicts of interest between the director and the management, the company or its group, are the following:
  - not being and not having been within the past five years:

- an employee or Executive Officer of the company,
  - an employee, Executive Officer or director of an entity consolidated by the company,
  - an employee, Executive Officer or director of the company's parent or of an entity consolidated by that parent;
- not being an Executive Officer of an entity in which the company directly or indirectly holds a directorship or an employee of the company is designated as a director or an Executive Officer of the company (current, or who has held such office within the past five years) holds a directorship;
  - not being a customer, supplier, investment banker, commercial banker or consultant (or not being directly related to such a person),
    - that is material to the company or its group, or
    - for which the company or its group represents a significant proportion of its business.

The assessment of whether or not the relationship with the company or its group is significant must be discussed by the Board, and the criteria used in that assessment (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the report on corporate governance;

- not being related by close family ties to a corporate officer;
- not having been an auditor of the company within the past five years;
- not having been a director of the company for more than 12 years, the status of independent director being lost once twelve years have elapsed.

Non-Executive Officers cannot be regarded as independent if they receive variable remuneration in cash or shares, or any remuneration related to the performance of the company or Group.

Directors representing major shareholders of TF1 or of its parent may be regarded as independent provided those shareholders do not take part in the control of TF1. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Selection and Remuneration Committee, systematically reviews whether a director qualifies as independent in light of TF1' share ownership structure and the existence of any potential conflict of interest.

#### **ARTICLE 6: Evaluation of the Board of Directors**

The Board of Directors shall periodically evaluate its ability to meet shareholders' expectations by reviewing its composition, organisation and operation, and by undertaking a similar review of Board committees.

Consequently, every year the Board shall include on the agenda of one of its meetings a discussion on the way in which the Board operates.

This formal evaluation shall have three objectives:

- assess the way in which the Board and its committees operate;
- check that important issues are suitably prepared and debated;
- measure the actual contribution of each director to the Board's work.

Shareholders shall be informed each year of the evaluation and of any follow-up action taken, in the report on corporate governance.

## **ARTICLE 7: Board Committees**

The committees of the Board of Directors shall examine issues submitted to them for an opinion by the Board or its Chairman as well as matters assigned to them by law. There shall be three committees: the Audit Committee, the Selection and Remuneration Committee, and the Ethics, CSR and Patronage Committee. The Rules of Procedure of these committees are provided in Annexes 2 to 4 of these Rules of Procedure.

The Board shall determine the membership and remits of the committees, which perform their activities under the Board's responsibility. It appoints their members among Directors and Censors.

Each committee may if it deems fit commission technical research from third parties in areas within its competence, subject to the principles and rules contained in Article 15.3 of the Afep-Medef Code.

## **ARTICLE 8: Remuneration of Corporate Officers**

The Board of Directors shall determine a remuneration policy for corporate officers and submits it to the Annual General Meeting for approval according to the conditions stipulated by the applicable regulations.

It sets, in accordance with this policy and within the limits set by the Annual General Meeting, the level of remuneration to be paid to directors for serving on the Board and its committees, and for serving as Chairman of the Board or of a committee.

This remuneration shall consist of a 30% fixed portion and a 70% variable portion, the latter calculated on the basis of attendance at meetings.

The fixed portion shall be paid at the end of the financial year. If directors join or leave the Board during the year, the fixed portion shall be allocated in proportion to the amount of time served on the Board in that year.

The variable portion shall be paid at the end of the financial year. It shall be calculated in proportion to the director's actual attendance at the annual periodic meetings of the Board as described in Article 2 of the present Rules of Procedure and, for committee members, at the meetings of the committee(s) concerned.

Within the framework of the remuneration policy approved by the Annual General Meeting, the Board shall be responsible for determining, subject to the control exercised by the general meeting of shareholders, the fixed remuneration, variable remuneration, benefits in kind and any retirement benefits or severance packages awarded to the Executive Officers: the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officers. It shall also make any decisions to award them stock options or performance shares.

The Board shall make such decisions on the basis of proposals from the Selection and Remuneration Committee, assessing each Executive Officer's overall remuneration and seeking a fair balance between the company's corporate interest, market practices, and the Executive Officer's performance. It shall explain the reasons for such decisions.

In doing so, the Board shall comply with:

- the recommendations of the Afep-Medef Code, which is appended to these Rules of Procedure;
- the AMF's recommendations concerning the disclosures on Executive Officers' remuneration to be provided in registration documents.

## **ARTICLE 9: Censors**

In accordance with Article 16 of the by-laws, the Board of Directors may appoint one or several Censors, for three-year terms, renewable an unlimited number of times.



The censors are responsible for ensuring the proper application of the Articles of Association. The censors can be consulted by the Chairman on the strategic guidelines of the Group and, generally, on any issues related to the organization or the development of the Company. The chairmen of the committees can also request their opinion on the subjects related to their respective skills.

The censors are convened to and attend the Board of Directors meetings in an advisory capacity, without the validity of the Board deliberations being affected by their absence. They can, in an advisory capacity, attend to the meetings of the Board committees.

A Censor, which is the Head of Ethics of Bouygues Group, is appointed as member of the Ethics, CSR and Patronage Committee.

Censors are required to comply with the Code of Conduct attached in Annex 1 of the present Rules of Procedures on the same basis as the Directors.

## **ANNEX 1: Directors' and Censors' Code of Conduct**

### **1. Preface**

The present Code of Conduct, with which each director or censor of TF1 is required to comply, amplifies Article 21 of the Afep-Medef Code dealing with ethical rules for directors.

Before accepting their position on the Board, directors or censors must ensure that they are aware of the general and specific obligations of their position. In particular, they must familiarise themselves with the relevant laws and regulations, the Articles of Association, the recommendations of the Afep-Medef Code, the present Code of Conduct and the Board's full Rules of Procedure.

When directors or censors are uncertain as to the interpretation or application of a rule in this Code of Conduct, they should if they see fit consult the Chairman of the Ethics, CSR and Patronage Committee and/or the Group Ethics Officer.

### **2. Representation of shareholders**

Although each director is a shareholder in her or her own right, they also represent all shareholders and must act in all circumstances in the best interests of the company; failure to do so can give rise to personal liability.

### **3. Duty to be informed**

Directors have a duty to ensure that they are well informed. Accordingly, they must request from the Chairman in a timely manner the information they need to work effectively on the issues on the Board's agenda.

### **4. Regular attendance – Multiple directorships**

Directors must devote the necessary time and attention to their functions. They must attend and participate regularly in the meetings of the Board and of any committees of which they are a member.

All directors are also required to comply with the rules set out in the Commercial Code governing multiple directorships in Sociétés Anonymes (public limited companies), as well as the recommendations of the Afep-Medef Code according to which:

- Executive Officers must not hold more than two other directorships in listed companies outside their group, including foreign companies, and must seek the opinion of the Board before accepting a new directorship in a listed company;
- directors must not hold more than four other directorships in listed companies outside their group, including foreign companies. This recommendation shall apply at the time of their appointment or of the next renewal of their term of office;
- directors must inform the Board of directorships held in other companies, including their involvement in the board committees of those companies, whether French or foreign.

### **5. Preventing conflicts of interest**

Directors or censors must ensure that they do not carry on an activity that would place them in a situation of conflict of interest with the company. In particular, no director nor censor should seek to hold an interest or invest in another entity, whether this be a customer, supplier or competitor of the company, if that interest or investment might influence their actions in their role as a director or censor.

Directors or censors undertake to inform the Chairman of the Board of Directors of any actual or potential conflict of interest between their duty to the company and their private interests and/or other duties, and in the case of voting directors not to deliberate or vote on any matter that directly or indirectly concerns them.

If the situation requires, the director or the censor concerned may be required not to attend Board meetings during such deliberations, not to take part in any vote on a resolution, and not to have access to documents and information brought to the attention of the other directors and censors and concerning the subject in question.

The Chairman of the Board may at any time ask directors and censors to confirm in writing that they are not in a conflict of interest situation.

## **6. Information concerning directors and censors**

The Chairman of the Board may at any time ask any director or censor to provide an attestation, declaration or any other relevant information, in particular on the following points: their family ties with other directors or censors; service contracts binding them to the company or to any of its subsidiaries under which they are entitled to benefits; their curriculum vitae; their management expertise and experience; positions and offices they hold or have held in other listed or unlisted entities and on the committees of such entities, in France or abroad; the number of the company's shares they own; their situation with regard to the Afep-Medef Code director independence criteria; a detailed account of any restriction accepted by them concerning the sale, within a certain period of time, of their shareholding in the company.

Directors and censors undertake to inform the Chairman of the Board of any convictions for fraud, of any incrimination, preventive measure or official public sanction issued against them in the past five years, and of any bankruptcy, compulsory administration or liquidation proceedings with which they have been associated in the last five years. The Chairman of the Board may ask directors and censors at any time to confirm in writing that they are not affected by any of these situations.

## **7. Share ownership**

The Articles of Association stipulate that each director must hold at least one share in the company. The Rules of Procedure recommend that each director, who does not represent employees, own one hundred shares in the company and each director who represents employees and each censor own ten shares in the Company.

## **8. Holding of the company's shares in registered form**

In accordance with Article L. 225-109 of the Commercial Code, the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the directors, whether individuals or legal entities, as well as standing representatives of legal entity directors (the "Persons Concerned"), are required to convert to registered form as soon as they take office any TF1 shares that they hold and any listed shares issued by any subsidiary that they (or any of their minor children) hold, and to do likewise for any shares they subsequently acquire. The same obligation applies to the non-separated spouse of a Person Concerned. It is recommended that the censors apply these rules.

## **9. Confidentiality**

Directors and censors shall consider themselves bound by professional secrecy over and above the mere obligation of discretion stipulated by regulations, with regard to non-public information acquired in the performance of their duties.

Directors and censors and any person called to attend a meeting of the Board or of one of its committees, shall be bound by a strict obligation of confidentiality with regard both to persons outside the company and to persons with no need to know such information by reason of their duties in the company.

Only the Executive Officers of the company shall have authority to provide third parties and the public with information on company policy, strategy, business operations and performance.

## **10. Prevention of insider dealing**

Directors and censors are reminded that they are likely to hold inside information at all times and that they must ensure before carrying out any transaction in the company's shares or in any related financial instruments that they are not engaging in insider dealing. Directors and censors must therefore manage their holdings in the company in an ethical and rigorous manner.

Directors and censors must observe the following rules of conduct, which apply to all financial markets, whether French or foreign, in which they carry out transactions:

### **10.1 Obligation not to circulate and/or make use of inside information**

Besides the general obligation of confidentiality described in Article 9 above, any Person Concerned holding inside information about the company, its subsidiaries or a transaction under consideration by the company or its subsidiaries is bound by an obligation of strict confidentiality and an obligation to refrain from trading.

Accordingly, Persons Concerned are prohibited from directly or indirectly acquiring or selling, or attempting to acquire or sell, on their own account or on behalf of others, financial instruments to which such inside information relates, and any financial instruments to which those instruments are in turn connected.

More generally, they are prohibited from communicating any inside information to third parties, and from recommending to third parties that they buy or sell, or arrange for another person to buy or sell, the aforementioned financial instruments on the basis of inside information.

Inside information is understood to mean any specific information that has not been made public, that relates directly or indirectly to the company, its subsidiaries or one or more financial instruments issued by them, and which, if made public, would be likely to have a significant effect on the price of the financial instruments in question or the price of financial instruments connected to them.

Persons Concerned are bound by the obligation of confidentiality and the obligation to refrain from trading even where they hold inside information by chance and not as a result of their role as a director or censor.

Directors and censors are reminded of the seriousness of the legal sanctions that may be imposed for failing to observe the aforementioned obligations:

- the AMF may impose an administrative fine of up to €100 million or, if a profit has been made from the offence and can be quantified, ten times the amount of that profit or, if the offender is a legal entity, a fine of up to 15% of the entity's annual consolidated sales;
- five years' imprisonment and a fine of €100 million, which may be increased to up to ten times the amount of any profit made from the offence and which may not be less than the amount of such profit, may be imposed on any member of the Board of Directors of an issuer who has inside information, or on any other person who knowingly has inside information, who:

- uses such inside information to carry out, on his or her own account or for another person, directly or indirectly, one or more transactions or to alter or cancel one or more orders placed by that same person before he or she came to have the inside information, where such transactions, cancellations or orders relate to financial instruments issued by that issuer or to financial instruments to which such inside information relates;
- recommends that one or more transactions be carried out involving the financial instruments to which the inside information relates or incites others to carry out such transactions based on that inside information;
- divulges inside information to a third party other than in the ordinary course of his or her profession or duties.

## 10.2 Obligation to refrain from trading (closed periods)

### Principle

Whatever the circumstances, all Persons Concerned must refrain from trading in the company's shares even if they are not in possession of inside information on that date: during the thirty calendar days preceding any publication of the full-year or half-year financial statements of TF1; during the fifteen calendar days preceding any publication of the quarterly financial statements of TF1; and on the day on which such information is made public.

This obligation to refrain from trading must also be observed throughout any period during which a Person Concerned is aware of inside information, and on the day on which such information is made public.

In addition, pursuant to Article L. 22-10-59 of the Commercial Code, performance shares may not be sold: during the thirty calendar days preceding any publication of annual financial and H1 report of TF1.

### Exceptions

Under EU Regulation No. 596/2014 of 16 April 2014 on market abuse, an issuer may allow a person discharging managerial responsibilities to trade on his or her own account or on the account of a third party during a closed period:

- either on a case-by-case basis due to the existence of exceptional circumstances such as severe financial difficulty, which require the immediate sale of shares, subject to express prior consent of the company in all cases;

#### *Procedure:*

*The Person Concerned must submit a request for approval by e-mail to the TF1 group Ethics Officer, Julie Burguburu, [jbg@tf1.fr](mailto:jbg@tf1.fr).*

*The request must give a description of the exceptional circumstances requiring the immediate sale of the shares, and must demonstrate that the proposed sale is the only reasonable course of action to obtain the funds required.*

*Requests will be replied to by e-mail within three working days.*

- or due to the characteristics of the trade involved for transactions made under, or related to, an employee share ownership or savings scheme, the completion of formalities or the exercise of rights attaching to the shares, or transactions where ownership of the relevant security does not change (refer to Delegated Regulation (EU) No. 2016/522 of 17 December 2015).

Consequently, the following types of transaction may now be regarded as authorised during closed periods:

- regular fixed monthly payments made by a Person Concerned by way of subscription to the TF1 group company savings scheme;
- subscription to a leveraged employee share ownership plan to which a Person Concerned already belonged before the start of the closed period;

- withdrawal from a leveraged employee share ownership plan on the expiry date stipulated in the plan rules;
- exercising the option to have a profit-sharing entitlement paid into the company savings scheme on the date specified by the employer.

### **10.3 Consultation of the Ethics Officer**

Any Person Concerned who wishes to carry out a transaction in the shares of TF1 may consult the Group Ethics Officer (Julie Burguburu, [jbg@tf1.fr](mailto:jbg@tf1.fr)) to confirm that he/she would not be engaging in insider dealing.

This consultation is obligatory for Executive Officers and salaried directors.

In any event, the Group Ethics Officer's opinion is advisory only, and the decision as to whether or not to trade in the company's shares is the sole responsibility of the Person Concerned.

### **10.4 Ban on speculative transactions**

Directors and censors undertake not to engage in speculative trading in the shares of TF1 through transactions such as short selling or buying on margin, rolling orders over using the deferred settlement service, day trading, and derivatives transactions.

### **10.5 10.5 Ban on hedging**

Directors and censors formally undertake to refrain from entering into hedging transactions to cover their risk exposure in respect of options, shares issued on exercise of options or performance shares, at any time up to the end of the share lock-up period set by the Board of Directors.

### **10.6 Declaration of transactions in the company's shares**

In accordance with Article 19 of EU Regulation No. 596/2014 of 16 April 2014 on market abuse and Article L. 621-18-2 of the Monetary and Financial Code, Persons Concerned must notify the AMF and TF1 of transactions they carry out on their own account in TF1 shares or debt securities, or in derivatives or financial instruments related thereto (for example stock options or units in the company savings scheme), including under share trading plans.

Persons closely associated with a Person Concerned shall be subject to the same declaration obligations in respect of transactions they carry out in the securities and instruments referred to above. This shall apply to the following persons:

#### **Definition of "person closely associated":**

This covers:

- the non-separated spouse or civil partner of the Person Concerned;
- children over whom the Person Concerned exercises parental authority, or who usually or alternately reside with the Person Concerned, or who are effectively and permanently dependent on the Person Concerned;
- any other direct relative or relative by marriage who has shared the same household as the Person Concerned for at least one year at the time of the transaction;
- any legal person, trust or partnership (such as a joint venture):

- the managerial responsibilities of which are discharged by the Person Concerned or by a person closely associated with him or her (for example, a company of which the Person Concerned is an executive officer); or
- which is directly or indirectly controlled by the Person Concerned or by a person closely associated with him or her (for example, a company in which the Person Concerned has a shareholding of more than 50%); or
- which is set up for the benefit of the Person Concerned or of a person closely associated with him or her; or
- the economic interests of which are substantially equivalent to those of the Person Concerned or of a person closely associated with him or her.

**Directors are under a strict obligation to:**

- inform in writing all persons closely associated with them of their obligation to declare transactions in TF1 shares;
- provide TF1 ([jbg@tf1.fr](mailto:jbg@tf1.fr)) with a list of all persons closely associated with them, and update that list as necessary.

**Transactions covered by the obligation to declare**

The obligation to declare applies to transactions carried out on their own account by the persons referred to above involving TF1 shares, or derivatives or other financial instruments related thereto.

Consequently, the following transactions must be declared:

- Subscriptions, payments and redemption of credits in connection with the company savings scheme or employee share ownership plans (adding any employer's contribution to the amount declared).
- Exercise of stock options: all exercises of stock options must be declared.
- Sales of shares derived from exercise of stock options: if stock options are exercised and the resulting shares are sold immediately, the exercise and the sale must be declared separately.
- "Bed and breakfast" transactions carried out at the end of the year must be declared. Only one declaration should be submitted, indicating on the form that it is a "bed and breakfast" transaction.
- Forward purchases and sales of shares: if persons discharging managerial responsibilities (or persons closely associated with them) buy or sell shares forward, they must notify the AMF of the transaction at the time the forward contract is entered into.
- Conditional purchases and sales, in particular options bought or written: a declaration is required when the option is bought (or written); if and when that option is exercised, a further declaration is required for the acquisition (or sale) of the underlying shares.
- Pledging or lending of financial instruments.
- Transactions in shares issued by entities whose sole assets are shares of the company in which the person discharges managerial responsibilities (for example, units in funds dedicated solely to that company's employee share ownership plans): that person must declare purchases and sales of shares in such entities.
- Transactions carried out on behalf of a person discharging managerial responsibilities by an intermediary under a management agreement (such as a share trading plan).
- Separation of bare ownership and usufruct of shares: persons discharging managerial responsibilities must declare the transaction if they are the seller or buyer of bare ownership of the share.
- Payment of dividend in shares: persons with managerial responsibilities who opt to receive their dividend in shares must declare the shares they receive at the time of receipt.

**Transactions to which the obligation to declare does not apply**

- Transactions carried out by legal entities that are Board members, where they are acting for third parties (for example, transactions carried out by a fund management company that is a Board member).
- Awards of performance shares: the award itself is not declared. At the end of the lock-up period, the sale must be declared.
- Awards of stock options.

- Separation of bare ownership and usufruct of shares: persons discharging managerial responsibilities who acquire the usufruct of shares are not required to declare the transaction.
- Reverse stock splits.
- A pledge (or similar granting of collateral) involving financial instruments, provided and to the extent that such pledge or collateral is not intended to secure a specific credit facility.

### **Declaration threshold**

Transactions do not need to be declared until they cumulatively exceed €20,000 per civil year. As soon as the cumulative amount of transactions in a civil year exceeds that threshold, any person subject to a declaration obligation must declare all of the transactions that had not previously been declared because the €20,000 threshold had not been reached.

Transactions carried out by legal entities within the group to which they belong are excluded.

### **Declaration procedure**

Persons Concerned must notify the AMF directly of any of the transactions referred to above within a maximum of three working days after the date of the transaction via the ONDE secure extranet, using the template provided in the Annex to EU Regulation No. 523/2016 of 10 March 2016.

A copy of the declaration must be sent to TF1 within the same time limit to the e-mail address [jbg@tf1.fr](mailto:jbg@tf1.fr).

Persons Concerned may ask the manager of their share account to file the required declarations.

Persons closely associated with Persons Concerned are also required to declare their transactions in TF1 shares within the same time limits and in the same way.

Any transaction carried out by any of the Executive Officers must also be notified to the members of the Board within the same time limit.



## ANNEX 2: Audit Committee Rules of Procedure

1. The Audit Committee is responsible for overseeing matters related to the preparation and control of accounting, financial and extra-financial information, internal control and risk management systems, and matters related to the statutory auditors.

In particular, the Committee:

- Oversees the process for preparing financial information, and to this end:
  - reviews the parent company and consolidated financial statements before they are presented to the Board;
  - obtains assurance that the accounting policies used in drawing up those financial statements are relevant and consistent;
  - reviews any changes that have a material impact on the financial statements;
  - reviews the principal optional treatments applied at the accounting close, key estimates and judgments, and the main changes in the scope of consolidation;
  - makes any recommendations necessary to safeguard the integrity of financial information.
- Oversees the effectiveness of internal control and risk management systems, and of internal audit where necessary, as regards procedures for preparing and processing accounting, financial and extra-financial information, without undermining its independence, and to this end:
  - reviews internal control procedures relating to the preparation of the financial statements, in conjunction with internal departments and qualified advisors, and also reviews the key accounting, financial, social and environmental risks faced by the company, any changes in those risks, and the arrangements put in place to manage them;
  - performs an annual review of the key risks faced by the company, including social and environmental risks, any changes in those risks, and the arrangements put in place to manage them;
  - reviews key information system risks;
  - performs an annual review of the company's internal control self-assessment.
- Oversees matters related to the statutory auditors, and to this end:
  - organises the selection procedure as specified in the relevant laws and regulations with a view to the appointment of the statutory auditors by the Annual General Meeting;
  - makes recommendations to the Board of Directors on the statutory auditors proposed for appointment or reappointment at Annual General Meetings and oversees the execution by the statutory auditors of their engagement;
  - obtains assurance that the statutory auditors are in compliance with the independence criteria specified in the applicable laws and regulations; and to this end, examines the allocation of fees paid by the company itself and by Group companies between each statutory auditor (including members of their networks), including fees paid for services other than the statutory audit of the financial statements;
  - approves the provision of any services other than statutory audit that may be provided by the statutory auditors or by members of their networks, having first analysed the risks posed to the independence of the statutory auditors and the protective measures applied by them;

- reports to the Board of Directors on the outcomes of the statutory audit engagement, the way in which that engagement contributed to the integrity of financial information, and the role played by the Committee in that process.
  - Reports on its work to the Board of Directors on a regular basis and makes recommendations to the Board of Directors on the matters listed above, both periodically at accounting closes and whenever warranted by a specific event.
  - Informs the Board of Directors without delay of any difficulties that may be encountered.
2. The Audit Committee shall have at least three members competent in finance or accounting. Neither corporate officers of the company may serve on this Committee. At least two thirds of its members, including the Committee Chairman, shall be independent directors within the meaning of the Afep-Medef Code. Directors representing employees and directors representing employee shareholders are not included when calculating the proportion of independent directors.

At the time of their appointment, Audit Committee members shall be provided with information concerning the company's specific accounting, financial and operational characteristics.

3. Committee meetings shall be valid only if two or more of its members, including its Chairman, are in attendance.

Committee meetings shall be called by the Chairman of the Committee, or at the request of the Chairman of the Board of Directors.

At least two meetings shall be held each year to examine the first-half and full-year financial statements before they are submitted to the Board.

The Audit Committee's Chairman shall draw up the agenda for its meetings.

4. In carrying out its duties, the Committee shall have access to all accounting and financial documents that it deems useful. It must also meet with the statutory auditors, and senior company executives responsible for finance, accounting, cash management and internal audit. If the Committee so requests, such meetings must be held without the company's senior management being present.
5. The person in charge of internal audit shall present to the Audit Committee at least once a year the organisation of his or her department, the audit plan, and a summary of his or her reports and of how his or her recommendations are being followed up.
6. The Audit Committee shall consider the draft Report of the Board of Directors on internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and communicate any observations on the draft Report.
7. The statutory auditors shall present to the Audit Committee a summary of their work and of optional accounting treatments used at the accounting close.
8. The Committee shall meet with the statutory auditors at least once a year with no company representative present to ensure that they were given full access to information and that they have all the resources they need to fulfil their duties.
9. During the examination of the financial statements, the statutory auditors shall submit to the Audit Committee a memorandum pointing out the essential aspects of the scope of consolidation, the findings of the statutory audit (in particular, any audit adjustments and significant internal control weaknesses identified during their work), and the optional accounting treatments applied. The Chief Financial Officer shall provide the Committee with a memorandum describing the company's risk exposure and material off-balance sheet commitments.

10. The statutory auditors' main recommendations shall be incorporated in an action plan and a follow-up procedure that are presented to the Audit Committee and to senior management at least once a year.
11. The Audit Committee's discussions and the information provided to it are highly confidential and shall not be disclosed outside of the Board of Directors.
12. The Audit Committee's opinions shall be approved by a simple majority of its members. In the event of a tie, the Chairman shall have the casting vote.
13. The Audit Committee shall report on its work at the next subsequent Board meeting, indicating the specific actions it has taken, its conclusions, and any recommendations it may have.

## ANNEX 3: Selection and Remuneration Committee Rules of Procedure

### 1. Remit

In fulfilling its remit, the Selection and Remuneration Committee shall comply with the Afep-Medef Code.

The remit of the Selection and Remuneration Committee shall be:

- ✓ Remit relating to the composition, organisation and operation of the Board of Directors:
  - Periodically reviewing issues related to the composition of the Board, and making proposals to the Board on the appointment or reappointment of directors, taking account of the principle of achieving a balance on the Board in terms of independent directors, gender, international experience, expertise, etc.
  - Organising a procedure for selecting future directors, and carrying out its own research on potential candidates before making any approach to them. This procedure is attached to the Selection and Remuneration Committee Rules of procedure (annex 3.1).
  - Examining regularly, and each time the term of office of Executive Officers is up for renewal, (i) what governance arrangements to adopt (in particular, whether to combine or separate the functions of Chairman and Chief Executive Officer) and making recommendations on this, and (ii) changes in the Group's executive bodies, in particular by liaising with the Chairman to prepare succession plans for Executive Officers, especially in the event of an unforeseen vacancy.
  - Assessing, on a case by case basis, the situation of each director or candidate for a directorship with respect to the independence criteria, and recommending proposals to the Board.
  - Anticipating and examining any issues relating to conflicts of interest.
  - Reviewing proposals to set up Board committees, and suggesting lists of their remits and members.
  - Reviewing the draft Report on corporate governance, and informing the Board of any observations about that report.
  - Preparing the evaluation of the Board and of its specialised committees as specified in Article 6 of the Rules of Procedure of the Board of Directors, presenting the Board with a summary report on that evaluation, and making recommendations to improve the composition, organisation and operation of the Board and its specialised committees.
  - Examining the gender balance policy for executive bodies proposed by senior management, the objectives of that policy, how the policy is implemented, the action plan established in this way and the outcomes achieved in the last financial year, and making any relevant observations to the Board.
- ✓ Remit relating to remuneration
  - Reviewing and submitting proposals to the Board on the remuneration policy for corporate officers, with a view to submission of that policy to the Annual General Meeting for approval.
  - Reviewing and submitting proposals to the Board of Directors on all components of the remuneration and benefits due or likely to be due to the Executive Officers, and in particular:
    - for variable remuneration components:
      - proposing definitions for how the variable component objectives are to be determined, and ensure that the variable component objectives comprise CSR criteria;

- checking each year that the rules for setting the variable portion (including with respect to social and environmental criteria) have been correctly applied, and are consistent with the assessment of their performance and with the company's medium- and long-term strategy;
  - For long-term remuneration components:
    - proposing and setting the terms of long-term remuneration plans;
    - examining stock option and share ownership plans, and making proposals for awarding such plans to Executive Officers;
    - making proposals on and monitoring compliance with rules specific to Executive Officers (minimum holding of registered shares and prohibition on use of hedging).
  - Issuing a recommendation on the overall amount of directors' remuneration, and the arrangements for allocating that remuneration between the directors.
  - Submitting proposals on remuneration and incentive arrangements for senior executives of the company and the Group other than Executive Officers.
  - Proposing a general policy on the granting of stock options, the allotment of shares free of charge or the awarding of performance shares, and determining the frequency thereof for each category of beneficiary.
  - Presenting annually the drafts of the reports on the remuneration of corporate officers, on the remuneration policy applicable to Executive Officers, and on stock options or performance shares
2. The Committee shall consist of three or four directors, one of whom must be a director representing employees. The Committee may not include Executive Officers of the company; it must have a majority of independent directors. The Committee shall be chaired by an independent director.

A director cannot be appointed to the Committee if an Executive Officer or salaried director of TF1 is a member of an equivalent committee in a company in which that director also serves as an Executive Officer.

The Executive Officer(s) are associated with the work of the Committee, but shall not be present when the Committee deliberates on them personally.

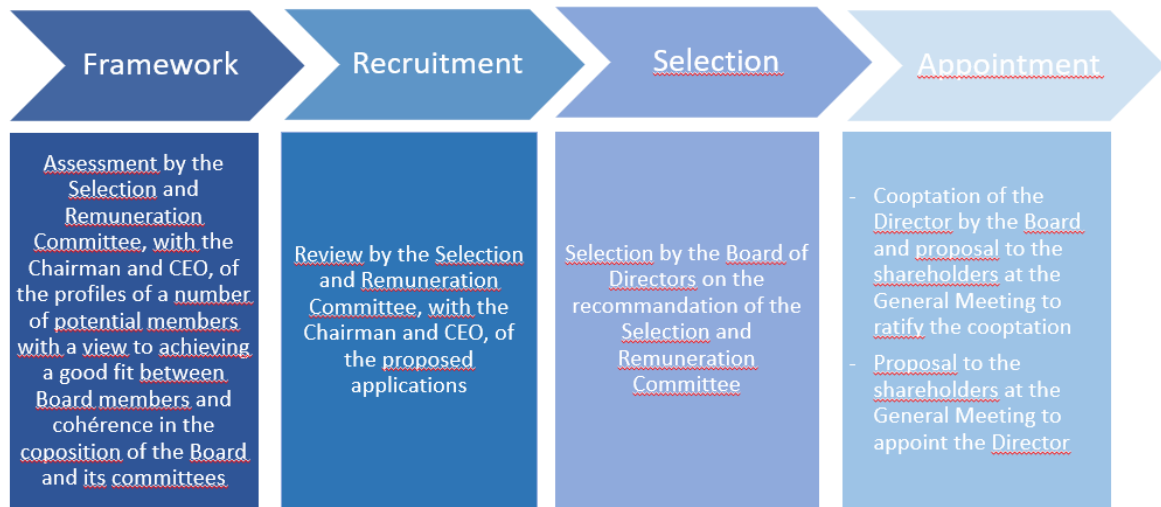
3. Meetings shall be valid only if two or more of its members, including its Chairman, are in attendance.

Committee meetings shall be called by the Chairman of the Committee, or at the request of the Chairman of the Board of Directors.

The Committee Chairman shall draw up the agenda.

4. The Committee shall report regularly to the Board of Directors on how it is fulfilling its remit and make any recommendations to the Board on the matters described above, both periodically at the Board meeting held to close off the financial statements and whenever circumstances require, and shall inform the Board without delay of any difficulty encountered.
5. The Committee may conduct or commission analyses or surveys in furtherance of its remit, and may call upon assistance from independent experts.
6. The Committee's opinions shall be approved by a simple majority of its members. In the event of a tie, the Chairman shall have the casting vote.

### Annex 3.1 - Procedure for selecting future Directors



## ANNEX 4: Ethics, CSR and Patronage Committee Rules of Procedure

### 1. The Ethics, CSR and Patronage Committee shall have the following remit:

- In the field of ethics, the Committee:
  - helps define rules of conduct and guiding principles to be followed by senior executives and other employees;
  - issues recommendations or opinions on initiatives aimed at promoting best practice in this area:
  - monitors compliance with those values and rules of conduct;
  - gives an opinion on the system put in place to prevent and detect corruption and influence peddling.
  
- In the field of CSR, the Committee:
  - examine multi-annual strategic guidelines on social and environmental responsibility proposed by the senior management, the measures implementing this strategy, with an action plan established in this way, and the results that were reached; as the case may be, convey its observations to the Board;  
  
In this frame, the committee examines the precise objectives defined by the senior management on climate-related issues, the results that were achieved and the relevance, if any, of adapting the action plan or changing the objectives in the light of, inter alia, the evolution of the company's strategy, technologies, shareholders expectations and the economic capacity to implement them.
  - examines at least once a year issues encountered by the Group in terms of environmental, corporate and social responsibility;
  - examines the CRS criteria proposed for the determination of the variable component of the remuneration of the corporate officers;
  - gives an opinion to the Board on the statement of extra-financial performance required pursuant to Article L. 22-10-36 of the Commercial Code;
  
- In the field of patronage, the Committee:
  - sets rules or makes recommendations for TF1 to follow;
  - gives an opinion to the Chairman of the Board on patronage initiatives proposed by TF1 when they represent a significant financial commitment;
  - ensures that its recommendations are implemented and that these initiatives are properly carried out.

### 2. The Ethics, CSR and Patronage Committee must consist of at least two directors and the Head of Ethics of Bouygues Group, appointed as censor, and must be chaired by an independent director.

### 3. Committee meetings shall be valid only if two or more of its members, including its Chairman, are in attendance.

Committee meetings shall be called by the Chairman of the Committee, or at the request of the Chairman of the Board of Directors.

4. In the course of its work, the Committee may meet with the Chairman of the Board of Directors or any other person designated by him.
5. The Committee's opinions shall be approved by a simple majority of its members. In the event of a tie, the Chairman shall have the casting vote.
6. The Committee shall report on its work at the next subsequent meeting of the Board of Directors.



**ANNEX 5: Afep/Medef Corporate Governance Code**

*English version not yet available*