

# Atalian Holding Development and Strategy S.A.

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## AUDIT AND COMPLIANCE COMMITTEE CHARTER

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The Audit and Compliance Committee for Atalian Holding Development and Strategy S.A., a company incorporated under Luxembourg law, hereinafter referred to as "AHDS" or "*the Company*", was established by the Board at its meeting of March, 1<sup>st</sup> 2019.

This Charter summarises and describes the organisational rules and functioning of the Audit and Compliance Committee as well as the powers and missions that the Board has entrusted to it.

The Committee is thus responsible for assisting the Board in its mission to review and approve the annual financial statements as well as any event that may have a significant impact on the Company's financial position or that of its subsidiaries. Within this framework, the Committee ensures, under the responsibility of the Board, the follow-up of queries raised relating to the internal control environment, the drawing up and auditing of the accounting and financial information as well as any issue relating to financing and the liquidity of the Company and its subsidiaries.

### I. STRUCTURE AND FUNCTIONING OF THE AUDIT AND COMPLIANCE COMMITTEE

#### 1.1. Composition

The Committee is composed of at least three administrators, with an independent majority, appointed by the Board, at least one member of which has expertise in financial, accounting and/or statutory auditing. It cannot include any officers of the Company.

Members are appointed in a personal capacity and may not use proxies.

The Chairman of the Committee is also appointed by the Board.

The Committee members' term of office will be fixed by the Board, with the exception of their right to waive it before expiry and the right of the Board to withdraw such office.

#### 1.2. Meetings

The Committee meets at least four times a year when the quarterly accounts are closed, convened by its Chairman, the Chairman being entitled to convene any additional meeting if circumstances so require.

The Committee shall also meet at any time at the request of at least half of its members or at the request of the Chairman of the Board. Meetings shall be held at any place indicated in the meeting notice, including by telephone or videoconference, transmitted by any means by the Chairman or, on his behalf, by any person designated by him.

The members of the Committee attend all meetings, it being hereby stated that they have the right to attend, in case of impediment, by any telecommunication means. The Chairman, or the person delegated for this task, shall draw up for each meeting an agenda communicated in advance to each member of the Committee.

The minutes of each meeting shall be drawn up under the authority of the Chairman and sent to the members of the Committee and submitted for the review by the Board.

The Committee can validly issue its opinions and recommendations only if at least half of its members (including the Chairman) are present.

The opinions and recommendations of the Committee are adopted if a majority of the members present vote in favour of the resolution, including the vote of the Chairman. In the event of a tie vote, the Chairman has the deciding vote.

The Chairman shall report to the Board on the work, studies and recommendations carried out by the Committee, subject to the Board's sovereign assessment of the follow-up action it intends to take.

### **1.3. Means**

1.3.1. From the date of their appointment or at their request, the members of the Committee shall be privy to information on the accounting, financial and operational specificities of the Company and the Group.

1.3.2. The Committee shall have the collaboration and participation of all the functional departments of the Company and its subsidiaries: financial, accounting, management control, internal control, internal audit, and legal departments.

### **1.4. Powers of the Audit and Compliance Committee**

1.4.1. To perform its duties, the Committee has the authority to obtain any information, notes and analysis on the Company and its subsidiaries that it deems necessary for the performance of its mission by the officers and their employees. The Committee may also make any contact and organise any meeting with the management bodies of the Company and its subsidiaries, subject to having previously notified the AHDS administrator A, as well as any meeting with the auditors of the Company or its subsidiaries, as necessary.

1.4.2. The powers conferred on the Committee cannot have the effect of delegating to it the powers granted to the Board by law or by the articles of association or reducing or limiting the powers of the administrator A.

## **II. MISSIONS OF THE AUDIT AND COMPLIANCE COMMITTEE**

The Committee assists the Board in its mission to review and approve the annual financial statements as well as any transaction, act or event that could have a material impact on the Company's position or that of its subsidiaries in terms of commitment and/or risk exposure.

Thus, and without prejudice to the competences of the administrative and managerial bodies, the Committee is in particular responsible for:

- monitoring the preparation of accounting and financial information, both historical (periodic information) and forecast;
- ensuring the existence and effectiveness of internal control systems, risk management. It is informed of actions taken by the Company and its subsidiaries to ensure ongoing improvement in terms of compliance;
- reviewing the internal audit plan and the results of the audits;
- ensure the effective application of the Code of Business Conduct and Compliance regulations and laws;
- selecting the Statutory Auditor and approve their missions and fees.

## **2.1. Review of accounts and financial statements**

- 2.1.1. The Committee, as part of its mission to monitor the preparation of accounting and financial information, examines the annual financial statements drawn up by the Company and the Group and related reports prior to their approval by the Board. It ensures the consistency of these financial statements with the information which it will have previously examined by considering the appropriateness of the accounting principles and methods used and their conformity with applicable accounting standards.

As part of its mission to monitor the preparation of financial information, it makes recommendations, as appropriate, to ensure its integrity.

The Committee examines the draft annual report prepared when the accounts are closed, considering the quality and completeness of the information provided.

The Committee's role is to provide guidance to the Board on the manner in which the financial statements published by the Company and the Group are prepared as well as the internal control systems and the permanence of the accounting methods involved therein.

The Committee examines the methods adopted to close the accounts as well as the nature, scope and results of the work carried out by the statutory auditors during said process both within the Company and its subsidiaries.

At the closing of the annual financial statements, the Committee reviews the status of significant off-balance sheet risks and commitments.

- 2.1.2. The Committee also jointly examines with the statutory auditors the results of their audits, the possible difficulties encountered during their work and, if applicable, the differences of assessment noted with the accounting and finance departments and/or the internal auditors.

- 2.1.3. The Committee analyses the main accounting topics, particularly those dealing with complex, unusual or significantly interpretative transactions.

It examines legal and regulatory developments as well as any adjustments and adaptations necessary in terms of accounting standardisation; it analyses the resulting impacts on the financial statements.

- 2.1.4. The Committee may examine the draft annual accounts prepared by General Management and ensure their consistency with the accounting documents and statements.

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

## **2.2. Statutory Auditors**

- 2.2.1. The Committee makes a recommendation on the candidatures to be submitted for appointment or renewal by the General Meeting, which are then brought to the attention of the Board and drawn up in accordance with the applicable regulations.

The Committee is also informed of the procedures implemented within the Group's subsidiaries.

- 2.2.2. The Committee ensures that the statutory auditors comply with the independence criteria defined by the applicable legislation. To that end, it collects a declaration on their independence, examines all the relations that they have with the Company and its subsidiaries, reviews and gives its opinion on the fees charged. It analyses, where appropriate, the risks to the independence of the statutory auditors and the safeguards applied to mitigate these risks.

- 2.2.3. The Committee approves the provision of non-account certification services that may be provided by the statutory auditors or members of their network in accordance with applicable legislation. It defines the approval procedure under the conditions, if any, specified by the competent authorities.

- 2.2.4. The Committee monitors the statutory auditors' performance of their mission. It examines, in their presence, the statutory auditors' scope of intervention, their audit plan and coordination with the various accounting, finance and internal audit departments.  
It reads and reviews the results of the statutory auditors' work, the content of the reports summarising the outcome of the statutory audit drawn up for the attention of the Committee in accordance with the applicable legislation, their opinions and recommendations and the relevant follow-up.
- 2.2.5. The Committee meets regularly and separately with the statutory auditors, where applicable, and at least once a year without the presence of the Company's representatives.
- 2.2.6. The Committee ensures that the joint audit is effective.
- 2.2.7. The Committee also reports to the Board on the results of the audit engagement, how this mission has contributed to the integrity of financial reporting and the role it has played in this process.

### **2.3. Monitoring the effectiveness of the internal control and risk management systems and the implementation of the audit plan**

- 2.3.1. The Committee monitors the effectiveness of the internal control and risk management systems, as well as, where appropriate, the internal audit system, with regard to the procedures followed in preparing and processing accounting information and without compromising its independence.
- 2.3.2. The Committee is responsible for verifying that the Company and its subsidiaries have the appropriate and structured internal control, internal audit, financial, accounting and legal departments in place, in order to identify, prevent, assess, manage and control risks, anomalies, irregularities or failures likely to have a significant impact on the accounting and financial information and on the Company's assets.

Thus, the Committee ensures the proper functioning of the internal control system supporting the preparation and processing of accounting and financial information. It thus monitors the identification of risks, their analysis and their evolution over time as well as the actions taken. To that end, it reviews management reports and internal audit reports on the effectiveness of financial and operational control and procedures, financial reporting and risk management systems. It ensures the implementation of the action plans.

The Committee also enquires about the existence, reliability and effectiveness of the internal control and risk management systems with the administrator A, the internal audit departments and the statutory auditors. The Committee assesses the importance of the shortcomings and weaknesses communicated to it and informs the Board, if appropriate.

The statutory auditors inform the Committee, as appropriate, of the nature and extent of the misstatements identified in the accounts, significant weaknesses in internal control with respect to the procedures followed for the preparation and processing of accounting and financial information.

- 2.3.3. The Committee reviews the Group's internal audit plan(s). It is involved in the development of audit plans and monitors their implementation; it examines the reports drawn up by the audit services, by any advisers or experts that may be appointed, as well as the recommendations made. It ensures that, in the event of dysfunctions, appropriate action plans have been put in place and followed up by the Board or the Executive management concerned.

The Committee ensures that risk assessment is an important element in the process of organising and planning the work of the Internal Audit Service.

### **2.4. Monitoring Compliance**

The Committee ensures the application of the Compliance Program in accordance with legal and regulatory requirements.

The Committee also ensures that compliance training is conducted and procedures applied.

The Committee verifies that all corrective actions taken to address the risks of non-compliance are properly followed and implemented.

## **2.5. Monitoring legal compliance**

The Committee receives regular reports from Senior Management on the most important matters concerning compliance with legal and regulatory provisions. It is made aware of the status of major ongoing disputes and any related accounting provisions.

## **2.6. Audit Committee reports submitted to the Board**

The Committee reports to the Board on its work in the context of closing the accounts both on the accounts themselves and on any other areas of analysis.

It formulates any opinion or recommendation, provided that the Board reviews the action it intends to take. The Committee shall promptly notify the Board of any difficulty encountered.

## **2.7. Other tasks entrusted to the Audit Committee**

2.7.1. The Committee may implement any other mission in connection with the role assigned to it in this Charter at the request of the Board.

2.7.2. The Committee regularly verifies that the missions assigned to it under this charter are carried out under satisfactory conditions. It periodically ensures that this Charter meets the needs and directions defined by the Board in relation to the Governance Committee.

## **III. RESPONSIBILITY OF COMMITTEE MEMBERS**

The members of the Committee do not have other legal responsibilities for their duties than those of the members of the Board, where such responsibilities exist.

## **IV. CONFIDENTIALITY**

The members of the Committee and all persons associated with it are subject to a strict duty of confidentiality.

## **V. APPROVAL OF THE AUDIT AND COMPLIANCE COMMITTEE CHARTER**

This Charter was approved by the Board at its meeting of November, 21th 2019.

The Board reserves the right to modify, add to or amend it, if necessary, at the request of the Committee or on its own initiative.

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