

# Christian Dior

## **CHARTER OF THE BOARD OF DIRECTORS**

AS OF JANUARY 29, 2019

The Board of Directors is the strategic body of Christian Dior SE. The competence, integrity and responsibility of its members, clear and fair decisions reached collectively, and effective and secure controls are the ethical principles that govern the Board.

The key priorities pursued by Christian Dior's Board of Directors are enterprise value creation and the defense of the Company's interests.

Christian Dior's Board of Directors acts as guarantor of the rights of each shareholder and ensures that shareholders fulfill all their duties.

The Company adheres to the Code of Corporate Governance for Listed Companies published by AFEP and MEDEF.

Each of these elements contributes to the performance and transparency required for the business to maintain the confidence of shareholders and partners in the Group.

## **1. MEMBERSHIP OF THE BOARD OF DIRECTORS**

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The Board of Directors shall have a maximum of 12 members, at least one-third of whom shall be appointed from among prominent independent persons with no interests in the Company.

In determining whether a Director may be considered independent, the Board of Directors shall refer in particular to the criteria set out in the AFEP/MEDEF Code of Corporate Governance for Listed Companies.

The number of Directors, or permanent representatives of legal entities, from outside listed companies in which the Chairman of the Board of Directors or any Director serving as Chief Executive Officer or Group Managing Director holds office shall be limited to two. The Chairman of the Board of Directors and any Director serving as Chief Executive Officer or Group Managing Director must seek the opinion of the Board of Directors before accepting a new appointment at a listed company.

## **2. DUTIES OF THE BOARD OF DIRECTORS**

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As well as selecting the Company's Executive Management structure and appointing the Chairman of the Board of Directors, Chief Executive Officer and Group Managing Director<sup>(s)</sup>, the principal duties of the Board of Directors are to:

- ensure that the Company's interests and assets are protected;
- define the Company's and the Group's broad strategic direction and ensure that it is put into practice;
- approve any significant transactions that fall outside the scope of the strategic direction defined by the Board of Directors;
- keep abreast of the Company's financial position, cash position and commitments;
- approve the Company's annual and interim financial statements;
- review the essential characteristics of internal control and risk management systems adopted and implemented by the Group;
- ensure that the key risks to which the Company is exposed are in keeping with its strategies and objectives, and are taken into account in the management of the Company;
- verify the quality, reliability and fairness of information provided to shareholders concerning the Company and the Group and, in particular, ensure that the management structure and internal control and risk management systems in place are adequate to guarantee the quality and reliability of financial information disclosed by the Company and to provide a true and fair view of the performance and financial position of the Company and the Group;
- set out the organizational principles and procedures of the Performance Audit Committee;
- disseminate the shared values that guide the Company and its employees and govern relationships with consumers as well as with partners and suppliers of the Company and the Group;
- promote a policy of economic development consistent with a corporate social responsibility approach based, in particular, on respect for human rights and protection of the environment in which the Group operates.

## **3. OPERATING PROCEDURES OF THE BOARD OF DIRECTORS**

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The Board of Directors shall meet at least four times a year.

Any individual who agrees to serve as a Director, or Permanent Representative of a legal entity appointed as Director, of the Company shall undertake to regularly attend Board of Directors' and Shareholders' Meetings.

The Board may use videoconferencing or other means of telecommunication to organize meetings with Directors participating remotely. No such means shall be used, however, when the Board meets to draft and approve the parent company financial statements and Management Report, or when it meets to draft the consolidated financial statements and the report on the Group's management.

To ensure that the relevant Directors are identified and in attendance at a Board meeting, these means of telecommunication shall, at minimum, transmit participants' voices as well as satisfy technical criteria for a continuous, real-time connection with the meeting. All remote participants at a meeting shall confirm their identity. Attendance by any non-Board member must be reported to and approved by all Directors participating in the meeting.

Directors participating remotely by videoconferencing or conference call shall be deemed present for the purposes of calculating quorum and majority.

The minutes of the meeting shall include the identities of any Directors who participated remotely, the means of communication used and any connection issues that may have occurred during the meeting and disrupted proceedings.

At the proposal of the Board's Nominations and Compensation Committee, repeated unjustified absences by a Director may lead the Board of Directors to reconsider his/her directorship.

So that members of the Board of Directors can fully serve the function entrusted to them, the Chief Executive Officer shall provide members with any and all information necessary for the performance of their duties.

Decisions by the Board of Directors shall be made by simple majority vote and shall be deemed to have been reached by the Board as a whole.

Independent Directors may, if they deem appropriate, meet together without the other members of the Board of Directors.

For specific or important matters, the Board of Directors may establish one or more ad hoc committees.

Each member of the Board of Directors shall act in the interests of and on behalf of all shareholders.

Once a year, the Board of Directors shall evaluate its procedures and inform shareholders of its conclusions in a report presented to the shareholders at a Shareholders' Meeting. In addition, a formalized review of the work of the Board, its organization and its procedures shall be conducted at least once every three years.

## **4. RESPONSIBILITIES**

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The members of the Board of Directors shall be required to familiarize themselves with the general and specific obligations of their office, and with all applicable laws and regulations.

The members of the Board of Directors shall be required to maintain the confidentiality of any information of which they may become aware in the course of their duties concerning the Company or the Group, until such information is made public by the Company.

The members of the Board of Directors undertake not to trade in the Company's shares, either directly or indirectly, whether on their own account or on behalf of any third party, on the basis of inside information disclosed to them in the course of their duties that is not known to the public.

Moreover, members of the Board of Directors shall refrain from trading in the Company's shares or related financial instruments, and from exercising options for the duration of periods:

- beginning, as the case may be, on the 30th calendar day preceding the date of publication of the Company's annual or interim consolidated financial statements or the 15th calendar day preceding the date of publication of the Company's quarterly consolidated revenue release; and
- ending (i) at 2:00 p.m. on the day after the aforementioned publication, if publication occurs in the afternoon, or (ii) at 9:00 a.m. on the day after the aforementioned publication, if it occurs in the morning.

However, this restriction shall not apply to the exercise of share purchase or share subscription options, provided that no shares are resold before the end of the blackout period in question.

Senior executive officers shall refrain from engaging in any hedging transactions on their share subscription or purchase options, shares acquired from the exercise of options, or performance shares; this restriction shall apply until the end of their respective holding periods set by the Board of Directors.

The Directors undertake to:

- notify the Chairman of the Board of Directors of any actual or potential conflict of interest between their duties to the Company and their personal interests and/or other duties;
- abstain from voting on any matter that directly or indirectly pertains to them;
- inform the Chairman of the Board of Directors of any transaction or agreement entered into with any Christian Dior group company to which they are a party;
- notify the Chairman of the Board of Directors of any formal investigation, conviction for fraud, official public indictment and/or sanction, or court-ordered disqualification from serving as a member of an administrative, management or supervisory body, as well as of any bankruptcy, receivership or liquidation proceedings in which they may have been involved.

The Chairman of the Board of Directors shall pass on any information of this type to the Performance Audit Committee.