

# Christian Dior

## CHARTER OF THE BOARD OF DIRECTORS

AS OF JANUARY 26, 2021

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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, 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.

The Board of Directors endeavors to promote the Company's long-term value creation, in particular by taking into account the social and environmental issues facing its businesses.

Christian Dior's Board of Directors acts as guarantor of the rights of each of its shareholders and ensures that shareholders fulfill all of 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 is made up of a maximum of eighteen members, selected in accordance with the procedure provided for in the rules of the Nominations and Compensation Committee, based on their professional experience and qualifications, and according to diversity criteria such as balanced representation in terms of gender, nationality and age. At least one-third of its members are appointed from among prominent independent persons with no interests in the Company.

The Board of Directors may appoint a Lead Director from among the Independent Directors – in particular if the roles of Chairman of the Board of Directors and Chief Executive Officer are held by the same person – whose responsibilities include keeping shareholders informed of corporate governance-related matters.

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

There must be no more than two 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.

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 determining the Company's Executive Management structure and appointing the Chairman of the Board of Directors, Chief Executive Officer and Group Managing Director(s), the principal duties of the Board of Directors are to:

- Ensure that the Company's interests and assets are protected, taking into account the social and environmental issues facing its businesses and, where applicable, the Company's mission statement, defined pursuant to Article 1835 of the French Civil Code;
- 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;
- Monitor developments in markets, the competitive environment and the Company's key strategic priorities, including those related to environmental and corporate social responsibility;
- 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 major risks to which the Company is exposed with regard to its structure and targets – whether financial, legal, operational, social or environmental – are taken into account in the Company's management;
- Implement a procedure to regularly assess whether agreements entered into in the normal course of the Company's business and at arm's length fulfill these conditions;
- Ensure that procedures to prevent corruption and influence-peddling are implemented;
- Ensure that a non-discrimination and diversity policy is in place, notably with regard to gender equality within the Group's governing bodies and at the proposal of Executive Management, set gender equality targets for these governing bodies;
- 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 operating principles and organizational 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 accepts the position of Director or Permanent Representative of a legal entity appointed as Director of the Company shall agree to attend Board of Directors' and Shareholders' Meetings regularly.

The Board may use videoconferencing or other means of telecommunication to hold meetings with Directors participating remotely. No such means shall be used, however, when the Board is meeting to prepare and approve the parent company financial statements and Management Report, or when it is meeting to prepare the consolidated financial statements and the Group's Management Report.

To ensure that the Directors concerned can be identified and effectively participate in the Board meeting, these means of telecommunication must, at minimum, transmit participants' voices and meet the technical criteria needed to allow discussions to take place without interruption and in real time. All remote participants at a meeting must identify themselves. The presence of 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 the quorum and majority.

The minutes of the meeting must include the names 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.

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

The Board of Directors may also vote in writing or electronically on the matters listed in Article 12 of the Bylaws.

For votes cast in writing or electronically, the party giving notice sends each Director and Advisory Board member – by any means of communication, including electronically – the draft resolution or resolutions, any documents that may be needed to brief the members of the Board of Directors, and the date at which the party giving notice must receive the Director's vote. If no specific deadline is mentioned, by default votes must be received within 5 days from the date the notice is sent.

Board members vote either "for" or "against" each resolution, with the understanding that votes cast by Advisory Board members are purely advisory. Votes may be submitted to the party giving notice by any means, including electronically. Any Directors who do not submit their votes by the deadline are considered to have abstained.

So that members of the Board of Directors can fulfill their function, the Chief Executive Officer provides members with any and all information necessary for the performance of their duties.

The Board of Directors may meet at least once a year without the senior executive officers being present.

Decisions by the Board of Directors shall be made by simple majority vote and are adopted as a board.

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 evaluates its procedures and informs shareholders of its conclusions in a report presented at the Shareholders' Meeting. A formal review of the Board's work, organization and procedures is 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 engaging in any transactions involving the Company's shares or related financial instruments, and from any exercise of 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 10:00 a.m. on the day after the aforementioned publication, if publication occurs in the afternoon, or (ii) at 2:00 p.m. on the same day of 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.

Members of the Board of Directors, as well as persons closely associated<sup>i</sup> with them, are required to file a declaration with the Company and the AMF (Autorités des Marchés Financiers, the French securities regulator) of any transactions they make in the Company's shares, debt securities or other financial instruments within the legal or regulatory time frame (three working days as of January 26, 2021) as from the transaction date.

Consequently, the members of the Board of Directors must notify persons closely associated with them in writing of their obligations regarding declarations to be made by senior executives, and keep a copy of this notification for their records.

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 debating or 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 submit any information of this type to the Performance Audit Committee.

## **5. COMPENSATION**

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The shareholders at the Shareholders' Meeting set the maximum overall annual amount that may be allocated to the Directors (and Advisory Board members, where applicable) as compensation for their work.

Within the limit of this amount, the Board of Directors determines the compensation apportioned to the Directors (and Advisory Board members, where applicable) on the recommendation of the Nominations and Compensation Committee, taking into account their specific responsibilities on the Board (e.g. Chairman, participation in any Board committees).

The settlement of a portion of this compensation shall be contingent upon attendance by Directors and Advisory Board members at the meetings of the Board of Directors and, where applicable, the Committee(s) of which they are members, calculated according to a formula determined by the Board of Directors, acting upon a proposal submitted by the Nominations and Compensation Committee.

Exceptional compensation may be paid to certain Directors for any special assignments they take on. The amount shall be determined by the Board of Directors and reported to the Company's Statutory Auditors.

## **6. SCOPE**

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This Charter shall apply to all members of the Board of Directors and all Advisory Board members. It must be given to each candidate for the position of Director or Advisory Board member, and to each Permanent Representative of a legal entity prior to the start of his/her term of office. By accepting an appointment as a Director or an Advisory Board member at the Company, the interested parties undertake to comply with the provisions of this Charter.

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<sup>i</sup> Persons closely related, as defined in Article 3.1.26 of Regulation (EU) of April 16, 2014 on market abuse, include spouses, dependent children and relatives who have shared a household with the senior executive for at least one year on the date of the transaction.