

INTERNAL RULES OF THE BOARD OF DIRECTORS OF ORPEA

Adopted by the Board of Directors on 27 November 2013
and last amended by the Board of Directors on 14 March 2023

Preamble

The purpose of these internal rules (hereinafter referred to as “**Rules**”) is to supplement the statutory and regulatory rules and the rules contained in the Memorandum and Articles of Association with a view to stating the *modus operandi* of the Board of Directors and potentially of its Board Committees, in the interests of ORPEA (hereinafter referred to as “**Company**”) and its Shareholders.

The Company’s Board of Directors adheres to the principles for corporate governance as presented by the AFEP-MEDEF Code.

These Rules are applicable to all current or future directors. Acceptance of the office of Director gives rise to an obligation to comply with these Rules.

1 - Rights and obligations of the directors

1-1 – Each member of the Board must be familiar with:

- the Company’s Memorandum and Articles of Association, the recommendations in the AFEP-MEDEF Code, and these Rules;
- the statutory and regulatory provisions governing French public limited companies (*sociétés anonymes*) with a Board of Directors, in particular: the rules limiting multiple directorships and those relating to agreements and transactions entered into between directors and the Company;
- and the rules on holding and using inside information, set out in more detail below.

1-2 – The directors are required to act, in all circumstances, in the interests of the Company and of all its Shareholders.

The directors have an obligation to inform the Board of any situation of conflict of interest or potential conflict of interest, in which they could be involved directly or indirectly. They shall abstain from attending the debates and from participating in the voting on the corresponding deliberations.

1-3 – Each Director shall devote the necessary time and attention to his/her duties. He/she shall limit his/her number of directorships to ensure that he/she is available.

He/she shall inform the Secretary of the Board of Directors of any new directorship.

Each member of the Board agrees to be assiduous in:

- attending, even by video-conferencing or telecommunication methods where applicable, all Board meetings, except in the event of a major impediment;
- attending all General Meetings of Shareholders so far as possible;
- attending meetings of the Board Committees of which he/she is a member.

1-4 The directors agree not to express their views individually except in the course of the Board's internal deliberations on issues raised at Board meetings.

Outside the Company, only one collegiate view can be expressed, notably in the form of press releases intended to inform the markets.

In relation to non-public information acquired in the course of his/her duties, each Director must consider him/herself to be bound by strict duty of confidentiality which exceeds the simple obligation of discretion prescribed by Article L. 225-37 paragraph 5 of the French Commercial Code.

Generally, all files from meetings of the Board of Directors, together with the information collected during or outside the meetings of the Board, are confidential without exception, irrespective of whether the information collected was presented as confidential by the Chairman.

Each Director shall take all necessary measures to preserve such confidentiality.

1-5 - Each Director must own at least one Company share.

Shares held by each Director, his/her spouse, his/her dependent child who is a minor or by any other intermediary person, must be recorded in registered form: either as pure registered shares with the Company's agent, or as managed registered shares with an intermediary whose details shall be disclosed to the Secretary of the Board of Directors.

1-6 - *Stock market ethics*

- Principles -

Inside information shall only be used by the directors in the course of performing their duties. Such information shall not in any circumstances be disclosed to any third party outside the scope of exercise of the office of Director or for purposes or an activity other than those for which it is held.

All directors have a duty to refrain from carrying out, arranging to have carried out or allowing another party to carry out operations on Company securities on the basis of this information for as long as this information is not made public.

It is the personal responsibility of each of the directors to assess the inside nature of any information he/she holds and, consequently, to decide whether he/she is authorised to make any use or transmission of the information or is prohibited from doing so, and to carry out any

operations on Company securities or have such operations carried out.

Additionally, the directors shall refrain from carrying out speculative operations on Company securities and are therefore prohibited from carrying out any short selling or deferred operations on any financial instruments relating to securities issued by the Company.

- Closed periods -

During the period preceding publication of any inside information of which they are aware, the members of the Board of Directors, in their capacity as holders of inside information, shall refrain from carrying out any operations on Company securities.

Additionally, they are prohibited from carrying out any operations on the securities during the following periods:

- a minimum of thirty calendar days prior to the date of the press release on the annual and interim results, and on the date of said press release;
- a minimum of fifteen calendar days prior to the date of the quarterly press release, and on the date of said press release.

The same rule shall apply, if applicable, to the disclosure of forecast annual and half-year results.

- Insider dealing -

Each Director confirms that he/she has been informed of the provisions in force on holding inside information and on insider dealing, laid down in particular in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (provisions relating to inside information and to transactions and insider lists).

It should be noted in particular that, in accordance with the applicable regulations, the directors and the persons closely connected to them are required to declare to the French Financial Markets Authority (*Autorité des Marchés Financiers* – hereinafter referred to as “AMF”) all purchases, sales, subscriptions or exchanges of Company shares, together with the transactions carried out on connected instruments, where the cumulative value of these operations exceeds €20,000 for the calendar year under way.

The directors and the persons closely connected with them shall send their declaration to the AMF, electronically via an extranet known as ONDE accessible on the AMF website, or to the following address: onde.amf-france.org., within a period of three working days after the date of the transaction.

When the AMF is notified, the parties making the declaration shall send the Secretary of the Company’s Board of Directors a copy of the notification.

Declarations are then posted online by the AMF on its website and are included in an annual summary statement in the Company’s Universal Registration Document.

2 - Duties and powers of the Board of Directors

2-1 - The Board is a collegiate authority which collectively represents all Shareholders and has an obligation to act in the Company's best interests in all circumstances.

The Board of Directors shall determine the Company's business strategy and oversee its implementation, in accordance with the Company's corporate interest and taking into account the social and environmental challenges of its business.

It may decide to set up Committees responsible for considering any issues referred to them for comment and examination by the Board itself or its Chairman.

The directors of the Company:

- shall share their skills and professional experience;
- have a duty of care and shall exercise their complete freedom of judgement.

This freedom of judgement allows them to take part, entirely independently, in the decisions or work of the Board and, where applicable, of its Committees.

The terms of office are spread over time in order to avoid the renewal of too many directorships at the same time and to aid a harmonious renewal of directorships.

In addition, the Board ensures that Executive Management implements a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in management bodies.

2-2- The Board of Directors shall choose how to exercise the Company's Executive Management in accordance with the law and the Articles of Association.

2-3 - The Board of Directors shall elect, from amongst its members, a Chairman who is a natural person.

The Chairman of the Board of Directors shall organise and manage its work and report thereon to the General Meeting. He/she shall ensure that the Company's governing bodies operate smoothly and shall check, in particular, that the directors are able to fulfil their duties.

He/she may request disclosure of any document or information which may assist the Board of Directors in the course of preparing for its meetings.

The Chairman of the Board of Directors shall use his/her best endeavours to promote the Company's values and image in all circumstances. He/she shall make representations in his/her official capacity.

He/she shall have the material resources required to carry out his/her duties.

The Board shall also choose the person required to perform the office of Secretary, who may be chosen from outside the Board members. The Secretary shall draw up the minutes of meetings of the Board and ensure that they are distributed. He/she is authorised to certify copies or extracts

of such minutes as true copies.

Due to the current composition of the Company's share capital, the proportion of independent directors which the Board must include is at least fifty percent. The definition of independent member adopted for the Board is the definition given by the AFEP-MEDEF Code: a member is independent where he/she entertains no relations of any nature whatsoever with the Company, its group or its management which could compromise the exercise of his/her freedom of judgement.

With this in mind, the criteria which may lead the Board to classify a member as independent are as follows:

- not being an employee or executive corporate officer of the Company or an employee, executive corporate officer or director of a company consolidated by the Company or of its parent company or a company consolidated by said parent company, currently or during the last five years;
- not being an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently or during the last five years) holds a directorship;
- not being a customer, supplier, commercial banker, investment banker or consultant:
 - that is significant to the Company or its Group;
 - or for which the Company or its Group represents a significant share of its activity;
- not being related by close family ties to a corporate officer;
- not having been the Statutory Auditor of the Company during the last five years;
- not having been a Director of the Company for more than twelve (12) years;
- not receiving variable remuneration or any remuneration linked to the performance of the Company or the Group.

The Board will systematically consider whether representatives of Shareholders holding more than 10% of the share capital or voting rights should be considered as independent.

~~2-4~~ The Chief Executive Officer is conferred with the full extent of authority to act on the Company's behalf in all circumstances. He/she shall exercise these powers within the scope of the Company's purpose and subject to the powers expressly attributed by law to Meetings of Shareholders and to the Board of Directors. He/she shall represent the Company vis-à-vis third parties.

Nevertheless, for all of the following operations, the Chief Executive Officer must obtain the prior authorisation of the Board of Directors for:

- any investment/purchase of any non-property asset in a country where the Group already has a presence and relating to an existing Group activity (already developed by a Business Unit of the Group), for a unit amount per operation strictly exceeding twenty-five million euros (€25m);
- any divestment/sale of any non-property asset for a unit amount exceeding five million euros (€5m);
- any investment/purchase of any property asset, in a country where the Group already has a presence, for a unit amount per operation strictly exceeding fifty million euros (€50m);

- any divestment/sale of any property asset, in a country where the Group already has a presence, for a unit amount per operation strictly exceeding fifty million euros (€50m);
- any investment/acquisition by the Group in a country in which it was previously not established or relating to a new activity (where no Group Business Units are yet active);
- any borrowing or financing for a unit amount exceeding one hundred and fifty million euros (€150m), or variation to any existing borrowing or financing for an amount exceeding one hundred and fifty million euros (€150m), subject to the proviso that the financing operations for any amount shall not result in dilution unless they have been expressly authorised by the Board of Directors (the Chief Executive Officer being required to inform the Board of Directors at its next meeting of any borrowing or financing exceeding seventy-five million euros (€75m));
- the creation of any surety, endorsement or guarantee for a unit amount exceeding one hundred and fifty million euros (€150m) (the Chief Executive Officer being required to notify the Board of Directors at its next meeting where the amount exceeds seventy-five million euros (€75m));
- any decision concerning the strategic direction, in particular with regard to CSR, of a Group company or any material change in this positioning or the business activities of a company;
- the approval and amendment of the annual budget or business plan established by ORPEA or the Group;
- any share capital transaction (including, but not restricted to, mergers, demergers, partial asset contributions, increases or reductions in capital, issuance of any negotiable securities carrying rights to the Company's share capital, or the creation of new classes of shares);
- the policy for dividend pay-outs or any other form of distribution by the Company to its Shareholders;
- the remuneration of the Company's corporate officers;
- any plan or award of stock options, free shares, incentive payments or profit-sharing.

3 – Operating procedures of the Board of Directors

3-1 - The Board of Directors shall meet as often as is required in the Company's interests, when a meeting is called by its Chairman.

Notices calling meetings may take any form (letter, fax, electronic mail) and may even be verbal. They may be sent by the Secretary of the Board. Except in specific circumstances, they shall be despatched in writing at least eight (8) days prior to each meeting, enclosing the agenda and the minutes of the last Board meeting. The notice shall state the place of the meeting, which may be the registered office or any other location.

Where circumstances so require, the Chairman may ask the Board for its position by calling a meeting exceptionally within twenty-four (24) hours.

The dates of Board meetings for the following year shall be set no later than 31 December of the previous year, except in the case of extraordinary meetings.

The documents required to inform directors regarding the agenda and all issues referred to the Board for consideration shall be attached to the notice calling the meeting or shall be sent

to them within a reasonable period, of about five (5) days, prior to the meeting.

3-2- In relation to the decisions to be taken, each Director must ensure that he/she has the information he/she considers essential to the smooth progress of the work of the Board and of the Committees. If such information is not made available to him/her, or if he/she believes that it has not been made available, he/she shall request it. His/her requests shall be sent to the Chairman of the Board of Directors, who shall ensure that the directors are able to fulfil their duties.

The Chief Executive Officer shall, at each meeting, give an update on the significant transactions completed since the previous meeting and on the principal projects under way and which are likely to be completed prior to the next meeting. The Board shall carry out a review each year relating to the essential points in the management report, and regarding the deliberations put before the General Meeting of Shareholders. Moreover, the Board of Directors shall be informed at least once a half-year, by Executive Management, of the financial situation, the cash flow situation and the Company's liabilities.

Between meetings, the directors shall receive all relevant information concerning the Company if required due to the importance or urgency of such information.

The Board of Directors may entrust to one or more of its members, or to third parties, exceptional tasks or mandates relating in particular to the examination of one or more specific issues.

3-3- In order for the Board of Directors to validly deliberate, the number of members present must be equal to at least half of the total members.

Directors may be represented by another Director holding a written form of proxy.

The Chairman of the Board may invite any person external to the Board of Directors to participate in all or part of its meetings, without taking part in the deliberations.

Decisions are taken by a majority of the members present or represented. In the event of a tied vote, the Chairman will have a casting vote.

3-4- In accordance with the statutory and regulatory provisions and with the Articles of Association, directors who take part in Board meetings via video-conferencing or telecommunication methods shall be deemed to be present for the purpose of calculating quorum and majority.

Nevertheless, these methods of participation are not permitted when the Board is required to deliberate on the following matters:

- drawing up the Company's financial statements and consolidated financial statements;
- drawing up the management report, including the report on management of the Group.

The technical features of the video-conferencing methods must allow for the discussions to be broadcast continuously.

3-5- The deliberations of the Board must be clear. The meeting minutes must contain a summary of the discussions and indicate the decisions taken. The minutes are particularly important because, where required, they constitute a record of the steps taken by the Board in carrying out its duties. Without being needlessly detailed, they must succinctly set out the issues raised or the reservations expressed.

The minutes of Board meetings shall be drawn up after each meeting and sent to all members of the Board, who are invited to submit their comments. Any comments shall be discussed at the next Board meeting. The final wording of the minutes of the previous meeting shall then be submitted to the next Board meeting for approval.

3-6- In accordance with Article 17 of the Articles of Association, the Board of Directors may, on the initiative of the Chairman of the Board of Directors, take certain decisions by written consultation under the conditions provided for by law. In such cases, the Chairman shall communicate to the directors by any means the items on the agenda and the text of the proposed draft deliberations, indicating the appropriate deadline for responding, depending on the purpose of the consultation, as well as any other document or information necessary for them to make a decision.

Each Director may ask any question necessary for his/her consideration or address any comment to the Chairman of the Board of Directors. Exchanges may take place between the Directors by electronic mail within the time limit set for responding to the written consultation. The directors shall communicate their vote to the Chairman of the Board of Directors, with a copy to the Secretary of the Board.

The Board of Directors can validly deliberate by written consultation only when at least half of the members of the Board of Directors have expressed their vote. Decisions are taken by a majority of the voting members. In the event of a tied vote, the Chairman will have a casting vote.

The Secretary of the Board shall inform the members of the Board of the result of the vote. Decisions taken by written consultation shall be recorded in minutes drawn up by the Secretary of the Board. They shall be kept under the same conditions as the other decisions of the Board of Directors.

4 - Board Committees

When the Board of Directors sets up Board Committees, it shall determine their membership and powers.

Such Committees shall act within the scope of the delegation granted to them by the Board and shall therefore have no decision-making powers.

The members of the Committees shall be chosen from amongst the members of the Board. They shall be appointed by the Board upon the proposal of the Appointments and Remuneration Committee. Their term of office shall coincide with their term of office as Director, the Board being entitled at any time to change the membership of the Committees

and consequently terminate the term of office of a Committee member.

The Board may assign to the Chair of the Committee, or to one or more of its members, any exceptional task or mandate to carry out specific research or prospective work.

Such person shall report on such work to the Committee in question, which shall deliberate and report thereon to the Board of Directors.

The Board Committees may, in carrying out their duties, make contact with the key executives of the Company, after having notified the Chairman of the Board of Directors and on condition that they report thereon to the Board.

The Committees shall not in any circumstances replace the powers of Executive Management or of the Board of Directors.

4-1 - Audit and Risk Committee

4 -1 -1 - Duties

The Audit and Risk Committee deals with issues arising from the preparation and auditing of financial and accounting information. Its role is to make the requisite preparations for decisions by the Board of Directors on financial and accounting matters.

It also monitors issues relating to the efficiency of internal audit systems and management of material risks, where applicable, with the specialised committee in charge of non-financial topics to ensure all financial and non-financial aspects are taken into account.

The Audit and Risk Committee shall be involved in the preparation of all reports (including the annual management report) for the sections within its expertise and remit.

Without prejudice to the powers of the Board of Directors and of Executive Management, the Committee has three main duties:

a) **Monitoring the process of preparing financial information**

The Audit and Risk Committee monitors the financial reporting process and, where appropriate, makes recommendations to ensure its integrity.

In particular, the Committee is responsible for:

- analysing the financial statements and related documents distributed by the Company, particularly at financial reporting dates, and, where necessary, examining certain elements in greater detail before they are presented to the Board of Directors (in particular cash flow, hedging policies, litigation, insurance, scope of consolidated companies, related-party transactions, etc.);
- reviewing forecast information and taking note of its uses and recipients in order to evaluate the reliability, quality and traceability of the forecasts and the underlying documentation as well as the coherence between the forecast information and the

published outlook;

- ensuring the existence of a rigorous process for preparing the Group's financial and non-financial information, as well as the relevance and consistency of the indicators and accounting methods used in preparing said financial information, in particular for dealing with significant transactions, and the main assumptions used;
- taking note of any changes which they believe should be made to the financial statements due to be signed off or any other accounting documents, making all relevant observations on the valuation methods used in drawing them up;
- taking note of and analysing any irregularities and inaccuracies that the statutory auditors of the Company (hereinafter referred to as "**Statutory Auditors**") may have identified, as well as the conclusions to be drawn from the aforementioned observations and corrections in relation to the results for the period, compared with those for the previous period. In this respect, the Committee may be provided with the representation letters submitted to the Statutory Auditors for the Company and its subsidiaries;
- analysing the ORPEA Group (hereinafter referred to as "**Group**") financial policy and its debt (including subsidiaries) and liquidity position and, in particular, examining the adequacy of the financing resources available for the execution of the strategic plan;
- reviewing the scope of verification of the non-financial indicators to be certified, the coverage rate and the methodology of the audits carried out by the auditor, and being informed about the appointment process of the accredited independent third-party organisation (ITO).

The Chairman of the Board of Directors and the Chief Executive Officer may refer to the Audit and Risk Committee any financial or accounting matter, particularly in determining the strategy and associated performance indicators, in the event of operations affecting the Group's scope or activity and operations which require prior authorisation of the Board of Directors.

The Committee is also regularly informed by Executive Management of feedback on the Group's perception by investors and analysts, and on the financial ratings and notes concerning it. It is consulted on any significant accounting or financial information communicated to the markets.

b) Monitoring the efficiency of internal control, internal audit and risk management systems

The Committee monitors the efficiency of internal control and risk management systems as well as internal audit, in particular with regard to the procedures relating to the preparation and processing of accounting, financial and non-financial information, without prejudice to its independence.

In particular, the Committee is responsible for:

- ensuring the existence and operation of control organisations and procedures appropriate to the Group (in particular, a system for the prevention and detection of corruption and influence peddling) enabling the identification and management of the risks incurred, including those of a social and environmental nature, and the implementation of corrective action in the event that weaknesses or anomalies are identified. In particular, it shall ensure the quality of the operating procedures, resources and working methods of the internal teams in charge of finance, internal control and internal audit;
- examining in particular on the basis of the risk maps drawn up by the Company, exposure to risks, such as financial risks (including material off-balance sheet commitments and tax risks), operational risks and compliance risks, and the measures taken as a result and ensuring the existence and proper functioning of an internal whistleblowing system;
- taking note of the general programme of work implemented by the Statutory Auditors and the various tests they have carried out;
- taking note of external audit conclusions and any internal control environment weaknesses identified by the Statutory Auditors;
- taking note, at least once a year, of the measures taken to ensure the integrity of the Group's information systems, particularly with regard to the good practices recommended by the French National Agency for Information Systems Security;
- taking note of major disputes at least once a year;
- annually examining the results of audits carried out within the scope of the procedure implemented to assess agreements relating to recurring operations entered into in the ordinary course of business and ensure the relevance of the criteria used to qualify these agreements.

The Committee may be consulted on any issue relating to control procedures for unusual risks. In particular, it may assist the Board of Directors in the review of a related-party agreement.

At its convenience, it may interview the head of internal audit. It is informed, without delay, of any change of the position's owner or any significant change in the scope of responsibility.

- c) **Monitoring the statutory audit of the annual financial statements and, where applicable, the consolidated financial statements by the Statutory Auditors, as well as the independence of the Statutory Auditors**

In particular, the Committee is responsible for:

- making a recommendation to the Board of Directors concerning the Statutory Auditors proposed for appointment or renewal to the General Meeting and monitoring the selection procedure organised by Executive Management, ensuring in particular that the applicable regulations are complied with (rules on the rotation of firms and

signatories, tender process, etc.);

- monitoring the Statutory Auditors' performance of their engagements, conducting an annual review of the external audit performance and examining, in particular, the report drawn up by the Statutory Auditors for the Committee, taking into account, where appropriate, the findings and conclusions of the French High Council for Statutory Audits (*Haut Conseil du Commissariat aux Comptes*) following audits of the firms concerned, in application of the legal provisions;
- ensuring that the Statutory Auditors comply with the conditions of their independence as defined by the regulations, in particular, by examining that the fees paid by the Company and its Group to the Statutory Auditors' firm and network in view of their revenue, their independence is not likely to be compromised, and analysing, in particular, the risks weighing on their independence and the safeguards put in place to mitigate these risks, these provisions also apply, where applicable, to the Statutory Auditors of the Company's main subsidiaries if different;
- approving, in compliance with the applicable regulations, the provision by the Statutory Auditors of non-audit services, in accordance with the procedure sets out in Appendix 1 of the Audit and Risk Committee's rules of procedure which is annually reviewed by the Committee.

d) **Monitoring the company's real estate strategy**

The Audit and Risks Committee monitors the development and implementation of the Group's real estate strategy.

Thus, the Committee is responsible for, in particular:

- monitoring the implementation of a centralized property database within the Group;
- examining the Group's real estate strategy with regard to the challenges specific to its activity and objectives and formulating proposals to the Board of Directors in this respect;
- monitoring the performance indicators (in particular IRR, development margins) intended to enable the Board of Directors to assess the implementation of the real estate strategy;
- giving its opinion on construction projects, acquisitions and disposals of real estate assets contemplated by the Executive Management and requiring the prior authorisation of the Board of Directors, as well as on partnerships dedicated to the construction or purchase of real estate assets.

This monitoring enables the Committee to issue recommendations, if necessary, in relation to the improvement of existing processes and, potentially, to the implementation of new processes.

The Audit and Risk Committee shall be involved in the preparation of all reports (including

the annual management report) for the sections within its expertise and remit.

4-1-2 – Organisation of work

The Audit and Risk Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

It shall be chaired by an Independent Director and there must be a proportion of two-thirds independent directors.

The members must have specific expertise in finance, accounting or statutory audit.

The members of the Audit and Risk Committee shall be bound by an obligation of confidentiality with regard to information relating to the services provided by the Statutory Auditors, under the conditions laid down by the regulations.

The Audit and Risk Committee can validly deliberate only if at least half of its members attend the meeting.

The Chair of the Audit and Risk Committee shall plan its work each year on the basis of his/her assessment of the materiality of various types of risk incurred, in agreement with Executive Management and the Board.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by latter or the Board of Directors and at least three (3) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, together with the Company's accounting and financial management, where appropriate, and in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting, with the information relevant to their discussions.

The Secretary of the Board shall act as Secretary of the Committee.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

In order to fulfil its duties, the Committee may contact, in the exercise of its powers, the Company executives who are responsible, in particular, for drawing up financial statements, internal control and compliance, in the absence of Executive Management, after informing the Chairman of the Board of Directors and subject to reporting back to the Board thereon.

The Committee may also, in agreement with Executive Management, seek information from any persons likely to be able to provide clarification in relation to the performance of its duties, notably executives responsible for economic or financial matters and those dealing with the processing of information, and request external technical studies.

In order to carry out its missions, it establishes a direct relationship with the Statutory Auditors

and interviews them regularly, including in the absence of Executive Management.

The Committee can meet without the presence of Executive Management and/or persons involved in the preparation of the financial statements.

The Committee shall inform the Board promptly of any difficulty encountered.

4-1-3 – Activity report

The Audit and Risk Committee shall report regularly to the Board of Directors on the exercise of its duties and obtain its comments.

The Committee shall provide in its reports the opinions that it considers relevant and shall formulate any recommendation and proposal to improve the efficiency of the procedures and of the overall arrangements or to adapt them to a new situation. In the event that some of the recommendations are not adopted unanimously, the reports will mention the points of view expressed in a non-nominal way.

It shall formulate any recommendations and proposals with a view to improving the efficiency of the various procedures and of the overall arrangements or adapting them to a new situation.

If, in the course of its work, the Committee identifies a significant risk which it does not consider to be managed adequately, it shall notify the Chairman of the Board of Directors.

4-2 – Appointments and Remuneration Committee

4-2-1 - Duties

The main duties of the Appointments and Remuneration Committee, within the scope of the work of the Board of Directors, are:

- to make proposals to the Board on governance issues, in particular:
 - to inform the Board's decision on the procedures for exercising Executive Management and on the status of the corporate officers;
 - to issue an opinion on proposals relating to the appointment of the Chief Executive Officer, and, where applicable, of one or more Deputy Chief Executive Officers;
 - to examine, as necessary, and, in particular, at the end of his/her term of office, the reappointment of the Chairman and Chief Executive Officer or of the Chairman and the Chief Executive Officer;
 - to regularly evaluate the structure, size and membership of the Board of Directors and to submit recommendations to the Board in relation to any changes;
 - to examine and recommend to the Board of Directors persons for appointment as directors, taking into account in particular the desired balance of the membership of the Board and its Committees in view of the composition and development of the Company's shareholding structure, the skills and expertise required to perform the Board's duties, and the balance between men and women within the

Board;

- to discuss directors' status as Independent directors upon their appointment and to review on an annual basis the individual situation of each Director with regard to the AFEP-MEDEF Code and these Internal Rules;
- to make proposals to the Board on the creation and membership of the Committees;
- to receive conflict of interest declarations (and, if applicable, any updates to these declarations) prepared and submitted by each Director upon their appointment and at the beginning of each year;
- to draw up a succession plan for the corporate officers applicable in particular in the event of an unforeseeable vacancy;
- to organise the annual assessment of the Board, if necessary with the help of an external firm, under the authority of the Chairman of the Board and reporting to the Board on the results of this assessment and any corrective measures required;
- to ensure the proper functioning of the governance bodies and in particular the transmission of information requested by the independent directors;
- draw up proposals and recommendations on remuneration, particularly with regard to:
 - the remuneration policy and the components of remuneration and other benefits for the Chairman of the Board;
 - the remuneration policy and the components of remuneration and other benefits for the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officer(s);
 - the amount of the total remuneration allocated to the directors to be submitted to the General Meeting and the method of distribution, taking into account their attendance;
 - the allocation of stock options and/or free performance shares to the Group's managers and employees;
 - the general policy of involving the Group's employees in the share capital, particularly with regard to the implementation of employee shareholding plans, profit-sharing measures and any other collective incentive plans for employees;
- to be regularly informed:
 - during the recruitment process of persons called to join the Executive Committee and other key functions;
 - of the remuneration policy (including performance criteria, which must include at least one applicable CSR criterion).

The Appointments and Remuneration Committee shall be involved in the preparation of all reports (including the Universal Registration Document) for the sections falling within its expertise and remit.

4-2-2 – Organisation of work

The Appointments and Remuneration Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

It shall be chaired by an independent Director and primarily composed of independent directors.

One of the directors representing the employees shall be a member of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee can validly deliberate only if at least half of its members attend the meeting.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by latter or the Board and at least three (3) times a year, prior to approval of the agenda for the Annual General Meeting, to consider the draft resolutions that will be submitted to the Meeting and which fall within its expertise.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting, with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed, except in relation to issues in which he/she is personally involved.

The Secretary of the Board shall act as Secretary of the Committee.

The Committee may also, in agreement with Executive Management, request external technical studies.

4-2-3 – Activity report

The Committee shall regularly report to the Board on its work and make proposals to it.

4-3 – Ethics, Quality and CSR Committee

4-3-1 - Duties

As CSR, quality and ethics are at the heart of ORPEA's strategy, the main duties of the Ethics, Quality and CSR Committee, within the scope of the work of the Board of Directors, are as follows:

a) **Ethics**

The Committee is responsible for monitoring ethics-related issues. In particular, its duties include:

- discussing any issue relating to ethics or to possible conflicts of interest which may be referred to it or which it may become aware of;
- regularly monitoring the updating of the ORPEA Group's Code of Conduct - Ethics and Corporate Social Responsibility and ensuring its distribution and enforcement, particularly with regard to the main values defined therein ("Professionalism, Compassion, Loyalty and Humility");
- keeping itself regularly informed and examining practices relating to the management of employees (respect for the principles of equal opportunities and diversity, recognition of merit, sanctions, etc.);

- ensuring that commercial partnerships and alliances are in line with the values provided with in the Group's Responsible Procurement Charter or Ethical & CSR Code of Conduct, as appropriate;
- ensuring that the Group complies with the rules and conventions relating to the respect of human rights and fundamental freedoms in the exercise of its activities.

At least once a year, the Committee shall interview the Head of Ethics and/or any person responsible for the Group's compliance with the rules falling within its remit, in the absence of Executive Management. It shall consult and inform the Audit and Risk Committee as necessary on its work on risk prevention within its remit, or involve the Audit and Risk Committee in such work.

b) **Quality**

The Committee is responsible for monitoring quality-related issues. In particular, its duties include:

- assisting the Board of Directors in monitoring the functioning of the Group's quality and operational risk management procedures, and its training, planning and monitoring tools (including annual satisfaction surveys);
- ensuring that the Quality department provides support to facilities in the implementation of their quality procedures, as well as monitoring and follow-up of the actions implemented;
- ensuring that facilities monitor quality indicators and transmit them to the Quality and Operations departments at the planned intervals, in order to facilitate monitoring of continuous improvement in the quality approach and to identify and prevent any potential risks;
- examining the annual and half-yearly quality reports.

c) **CSR**

The Committee is responsible for:

- examining the Group's strategy and commitments in terms of social, environmental and societal responsibility with regard to the challenges specific to its activity and objectives and making proposals to the Board in this respect;
- examining the impact of social, environmental and societal issues on the Group's investments, economic performance and image;
- monitoring the actions implemented by the Group in terms of social, environmental and societal responsibility and evaluating the main results. In this respect, it monitors in particular issues related to the safety, quality of life and care of the people living in its facilities, the health, safety and well-being of employees, the Group's environmental footprint, societal challenges, the implementation of innovative solutions and the actions of the ORPEA Foundation;

- reviewing and assessing the reporting and control procedures for non-financial indicators to enable the Company to provide reliable non-financial information;
- helping to defining the non-financial performance criteria taken into account when setting the bonus and long-term remuneration of the Chief Executive Officer, in conjunction with the Appointments and Remuneration Committee;
- giving its opinion on the manner in which the Company implements a policy of non-discrimination and diversity, in particular with regard to the balanced representation of women and men in the management bodies;
- monitoring the preparation of the non-financial statement and, in general, any information required by the CSR legislation in force;
- conducting an annual review of a summary of the non-financial ratings carried out on the Group.

Each year, the Ethics, Quality and CSR Committee shall receive a presentation of the Group's environmental, societal and ethics risk mapping. It shall study the risks identified therein and be kept informed of their development and the features of the related management systems.

The Ethics, Quality and CSR Committee shall coordinate its work with the Audit and Risk Committee on all matters within its remit, in particular internal control, compliance, risk management and analysis, non-financial information and the main disputes.

The Ethics, Quality and CSR Committee may also be consulted, jointly with the Audit and Risk Committee, on management procedures in the event of unusual risks, when the Board or Executive Management deems it useful.

The Ethics, Quality and CSR Committee shall be involved in the preparation of all reports (including the annual management report) for the sections falling within its expertise and remit.

4-3-2 – Organisation of work

The Ethics, Quality and CSR Committee shall be composed of at least three (3) members, who shall be non-executive directors of the Company.

The Committee can validly deliberate only if at least half of its members attend the meeting.

Meetings of the Committee shall be called by its Chair, whenever deemed necessary by latter or the Board and at least three (3) times a year.

The agenda for meetings is drawn up by the Chair of the Committee, in conjunction with the Board of Directors when the Board has called the meeting. It shall be sent to the members of the Committee prior to their meeting, with the information relevant to their discussions.

The Chairman of the Board may attend the meetings of the Committee depending on the topics being discussed.

The Secretary of the Board shall act as Secretary of the Committee.

The Committee shall receive regular reports from management on the Group's Ethics, Quality

and CSR strategy and its implementation. It may, if necessary, request external technical studies.

4-3-3 – Activity report

The Committee shall regularly report to the Board on its work and make proposals to it.

5 - Directors' remuneration

The directors receive remuneration, the total amount of which is voted by the Ordinary General Meeting and the distribution of which is decided by the Board, in accordance with the approved directors' remuneration policy, upon the proposal of the Appointments and Remuneration Committee. This distribution shall take into consideration the duties exercised by the directors on the Board and on the Committees, and their actual attendance.

The Board of Directors may allocate exceptional remuneration for special duties or mandates assigned to directors.

6 - Annual assessment of the Board's operating procedures

The Board shall periodically carry out an assessment of its membership, organisation and operation and that of its Committees. An update shall be provided to the Board on this matter once a year, and a formal assessment shall be carried out, under the authority of the Chairman of the Board of Directors, every three (3) years. The Board shall, where applicable, implement any steps to improve its operating procedures.

The Board shall inform the Shareholders in this regard in the Universal Registration Document.