

## **NEXANS**

Joint-stock Company with registered capital of 43,606,320 euros  
Registered office : 4 Allée de l'Arche 92400 Courbevoie, France  
Trade and Companies' Register Nanterre 393 525 852

# **INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS**

(Updated on March 19, 2019)

For the purpose of the English version of the Internal Regulations, the following French terms shall be translated by the below English terms and expressions. With respect to the French expression “Mandataire social”, such expression refers to an Executive Director as defined below or to a Non-Executive Director (member of the Board).

<b>French term</b>	<b>English expression</b>
<i>Administrateur</i>	<i>Director or Board Member</i>
<i>Directeur général</i>	<i>Chief Executive Officer</i>
<i>Directeur général délégué</i>	<i>Deputy Chief Executive Officer (legal representative)</i>
<i>Dirigeant mandataire social</i>	<i>Executive Director (Such expression refers to the Chairman of the Board, the Chief Executive Officer, the Deputy CEO and any legal representative corporate officers)</i>
<i>Dirigeant mandataire social exécutif</i>	<i>Executive Officer (Such expression refers to the Chief Executive Officer, the Deputy CEO and any legal representative corporate officers)</i>
<i>Dirigeant mandataire social non exécutif</i>	<i>Non-Executive Officer (Such expression refers to the Chairman of the Board)</i>

The purpose of these Internal Regulations and their Annexes is to supplement legal and statutory rules in order to specify certain operating procedures of the Board of Directors and its Committees as well as the obligations of its Members, particularly with regard to the corporate governance principles presented in the Code of Corporate Governance of Listed Corporations published by the *Association Française des Entreprises Privées* (Afep, French Private Business Association) and the *Mouvement des Entreprises de France* (Medef, French Business Confederation) to which the Company adheres.

## **1. Composition of the Board of Directors**

The Board should seek a desirable balance in its members and in its committees particularly in terms of diversity (gender representation, nationalities, age, qualifications, professional experience, etc.).

At least one-half of the Members of the Board of Directors must be independent directors.

The qualification of a Director as independent is carried out in accordance with the provisions of the Afep-Medef code. The Board of Directors may consider that, although a director meets the criteria set out in the Afep-Medef Code, he or she cannot be held to be independent owing to the specific circumstances of the person or the Company, due to its ownership structure or for any other reason. Conversely, the Board may consider that a director who does not meet some of these criteria is nevertheless independent.

The Appointments, Compensation and Corporate Governance Committee discusses the characterization of independence of each Board Member and the Board reviews such characterization each year prior to publishing the annual report. Each Board Member’s characterization is made public in the report of the Board on corporate governance.

Legal entity directors must comply with the procedure for appointing their permanent representative to the Board as set out in Annex 2 to these Internal Regulations.

## **2. Duties and authority of the Board of Directors**

The Board deliberates on matters within its authority pursuant to the law and the Company’s bylaws.

The Board of Directors endeavors to promote long-term value creation by the Company considering the social and environmental aspects of its activities. It determines the business orientations of the Company and oversees their implementation.

Except where powers are expressly attributed to Shareholders' Meetings and subject to the Company's purpose, the Board may take up any issue concerning the proper running of the Company.

The Board of Directors examines transactions of strategic importance to the Company. Furthermore, plans for the following transactions are presented to the Board for review and prior approval:

- (i) Any merger, acquisition, disposal and other industrial or financing plan with a unit value of more than 50 million euros (enterprise value for mergers/acquisitions or disposals).
- (ii) Sale of a share in a subsidiary's capital (joint venture or stock market listing) where the amount obtained for the listing or the entry of a third party in the capital exceeds 25 million euros.

In addition to the above, any transaction or plan representing diversification outside the Group's lines of business, irrespective of its value, must be subject to review and prior approval of the Board of Directors.

The Board of Directors examines the principle of internal restructuring projects which are significant at Group level, subject to possible consultations required by law and without prejudice of the decisions by the entities potentially concerned.

The Board regularly reviews, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly. To this end, the Board receives all information needed to carry out its task, notably from the executive officers.

It ensures the implementation of a mechanism to prevent and detect corruption and influence peddling. It receives all information needed for this purpose.

The Board also ensures that the executive officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of men and women on the governing bodies.

### **3. Role and powers of the Chairman of the Board**

The Chairman of the Board represents the Board of Directors and, save in exceptional circumstances, is solely entitled to act and speak on behalf of the Board of Directors.

The Chairman organizes and oversees the work of the Board of Directors and makes sure of the efficient operation of corporate bodies in compliance with good corporate governance principles. He coordinates the work of the Board of Directors with the work of the Board's Committees.

The Chairman makes sure that the directors can effectively fulfill their mission and in particular, that all information necessary is made available to them.

The Secretary of the Board of Directors, reports to the Chairman of the Board. He assists the Chairman of the Board in the organization of the meetings of the Board of Directors and of shareholders, as well as in other tasks relating to corporate governance rules applicable to the Company as a French company.

The Chairman is regularly kept informed by the Chief Executive Officer of significant events and situations affecting the Group, in particular with respect to strategy, organization, major investment and divestment projects and important financial transactions. He can ask the Chief Executive Officer information to inform the Board and its Committees on any matter relevant to their mission.

The Chairman may question the statutory auditors in connection with the preparation of the Board's work. He sees to the efficiency of internal audit in connection with the Accounts, Audit and Risk Committee and has access to the work of internal audit. He may, on behalf of the Board and after having informed the Chief Executive Officer and the Chairman of the Accounts, Audit and Risk Committee, request specific studies from the internal audit department, in which case he will report thereon to the Committee. He also follows, in connection with the Accounts, Audit and Risk Committee, the financing of the Group and the risk management process.

He follows with the Strategy and Sustainable Development Committee, the good progress of annual update and execution of strategic plans and that the short, middle and long terms objectives of the different stakeholders are being taken into account.

The Chairman also takes part in some of the Appointments, Compensation, and Corporate Governance Committee's work. In particular, he takes part in the Board of directors' evaluation of its operating procedures, in the work on the composition of the Board and of its Committees, and in the selection process and preliminary review of the appointment of new directors.

The Chairman may participate, with consultative input, to all meetings of the Board's committees of which he is not a member and may consult the Committees on any question within their scope of responsibility. In particular, he may consult the Appointments, Compensation and Corporate Governance Committee on governance matters and the Accounts, Audit and Risk Committee on matters relating to internal audit and internal control.

The Company makes available to the Chairman tools and support to enable him to perform all his tasks.

The Chairman is required to obtain the opinion of the Chairman of the Appointment, Compensation and Corporate Governance Committee before accepting a directorship in a French or foreign listed corporation.

#### **4. Role and powers of the Chief Executive Officer**

The Chief Executive Officer is responsible for the general management of the Company.

The Chief Executive Officer has the widest powers to act in all circumstances in the Company's name, subject to the powers that law assigns to the Board and to the general shareholders meeting, as well as the Company's specific rules of corporate governance.

He represents the Company, and can take commitments in its name, vis-à-vis third parties.

He is responsible for the financial information published by the Company and regularly presents to the Company's shareholders and to the financial community the Group's results and perspectives.

He informs the Board, and in particular its Chairman, of the meaningful events affecting the Group.

The Chief Executive Officer is required to obtain the opinion of the Appointment, Compensation and Corporate Governance Committee before accepting a directorship in a French or foreign listed corporation.

## **5. Lead Independent Director - role and powers**

The Board of Directors may appoint, upon recommendation of the Appointments, Compensation and Corporate Governance Committee, a "Lead Independent Director", chosen from among the directors qualified as independent.

The Lead Independent Director is appointed for the duration of his or her term of office as director. The Board of Directors may terminate such assignment at any time.

The missions of the Independent Lead Director are as follows:

- Conduct meetings of independent directors and inform the Chairman of the Board of Directors of the outcome;
- Be the contact point for independent directors;
- In conjunction with the Chairman, review Board meetings agenda and may propose additional items;
- May, at any time, request the Chairman to convene a meeting of the Board on a predetermined agenda and chair meetings in his absence;
- Shall perform any other duties that the Board of Directors may entrust to him or her;
- Report on his or her activity and action to the General Meeting of Shareholders.

The Lead Independent Director may use the services of the Secretary of the Board to carry out his or her duties.

## **6. Meetings of the Board of Directors**

The Board of Directors meets according to the financial and legal calendar of the Company, and at any time its interests so require.

The Chairman sets forth the agenda of each Board of Directors meeting, including the matters proposed by General Management, and communicates it to its Members in a timely manner and by any appropriate means.

In the event of an urgent matter, the Board Members may be convened immediately and by any means.

For the purposes of calculating the quorum and majority, Board Members are considered to be present if they participate in the Board Meeting through videoconference or telecommunication means that enable their identification and guarantee their effective participation in all cases set out by the laws and regulations in force.

If the Chairman is prevented from attending, Board meetings are chaired by the Lead Independent Director, or if the Lead Independent Director is prevented from attending, by the oldest Board Member present, unless the Board decides differently.

All the items listed on the agenda are examined and discussed during the meeting. During each of its meetings, in the event of urgent matters and upon proposal of the Chairman, the Board may discuss issues not listed on the agenda.

The minutes of each meeting contains a faithful description of the proceedings of the meeting and an account of the discussions.

Every year, the Board of Directors either discusses its operating procedures, and at least every three years conducts a formalized assessment of its operation.

At least once a year, the Board of Directors debates without the presence of Executive Officers, in particular evaluates the performance and compensation of Executive Officers. The Board also discusses the performance and compensation of Non-Executive Officers without their presence.

The Board may also meet without the presence of Executive Officers, directors representing employees and employees shareholders and interns.

## **7. Board Members' access to information**

The prior provision of information to Board Members on a regular basis is a paramount condition for them to exercise their duties correctly.

Every Board Member receives all the information necessary to accomplish their duties and may have all documents that they consider useful communicated to them.

Materials on the agenda items requiring special analysis and prior consideration are sent to Board Members in a reasonable timeframe prior to the Board meetings, unless otherwise dictated by confidentiality requirements.

Important press releases and the consensus of financial analysts are communicated to the Board of Directors.

An update is provided on a regular basis at management's initiative on the course of business, the financial position, the cash flow status and the commitments of the Company and of the group. The members of the Board of Directors are informed about market developments, the competitive environment and the most important issues at hand, including in the field of corporate social and environmental responsibility.

All Board Members may at any time before each meeting, during meetings or outside any meetings, request any additional information that they consider useful and necessary to clarify their judgment. In this respect, Board Members may request, if necessary, a complementary training on the specificities of the Company, its businesses and activities.

Board Members may meet with members of the management, during or outside Board meetings, with or without the presence of the Chairman and of the CEO, but with the latter's knowledge.

## **8. Committees of the Board of Directors**

The meetings of the Committees can be held through videoconference or telecommunication means that enable their members' identification and guarantee their effective participation.

### **8.1 Accounts, Audit and Risk Committee**

#### **Composition**

The Accounts, Audit and Risk Committee is composed of three or four members, Non-Executive Directors, two of which at least are independent directors, appointed by the Board of Directors.

Members of the Accounts, Audit and Risk Committee must have financial, accounting or statutory audit skills. In accordance with legal provisions, at least one of the members must present specific skills in one or the other of these fields.

#### **Responsibilities**

The Accounts, Audit and Risk Committee monitors issues relating to the preparation and control of accounting and financial information in accordance with applicable regulations.

The Committee's main responsibilities are as follows:

- It examines the accounts and ensures the relevance and continuous application of the accounting methods adopted by the Company for its corporate and consolidated accounts, in particular for dealing with significant transactions.
- It monitors the process of preparing the financial information, and when appropriate, makes recommendations to ensure its integrity.
- It ensures that the statutory auditors comply with the conditions of their independence and approves the provision of non-audit services.
- It monitors the implementation of the statutory auditors' mission and considers the findings and conclusions of the Statutory Auditors High Council (H3C) following its controls.
- It ensures that systems of internal control, risk management and, where applicable, the internal audit of the procedures relating to the preparation and processing of the financial and extra-financial information, are in place; it follows-up their effectiveness by ensuring that corrective actions are taken in case of identified weaknesses and significant anomalies.
- It reviews the Group's policies in terms of compliance, ethics and business conduct as well as the systems and procedures set up to ensure their diffusion and implementation.

In the context of carrying out its responsibilities, the Committee:

- examines the scope of the consolidated companies.
- ensures that a description of internal procedures to identify off-balance sheet commitments and risks is made known to the members of the Committee and examines significant off-balance sheet commitments and risks.
- takes note of the work carried out by internal audit, gives its opinion, and reviews the principal conclusions of the work undertaken.
- participates in the selection of external auditors by proposing the selection process and in particular, if applicable, a call for tenders. The Committee supervises the call for tenders, validates the specifications and the consulted firms, to make a proposal to the Board of Directors.
- receives the supplementary report from the auditors, and discuss with them the main issues arising from the statutory audit of the accounts referred to in the supplementary report.
- examines the appropriateness of the procedures for analyzing and monitoring the main risks arising from the Group's activities. It reviews the programs and actions implemented in risk management.
- examines the Group's program regarding compliance, ethics and business conduct and its implementation: training and prevention, investigations and processing of reports.
- meets the Compliance Program Officer as often needed and at minimum once a year without the presence of the executive management, and also at the initiative of the Compliance Program Officer. The Compliance Program Officer's function is to define the ethics compliance program and to support the management in its implementation.
- in addition, the Ethics Correspondent (who receives and manages reports of breaches of Code of Ethics and Business Conduct) reports to the Committee at least once a year on cases handled. The Committee is also informed by the Ethics Correspondent of reports concerning members of the Executive Committee and manages directly with the Ethics

Correspondent the cases reported concerning the Chief Executive Officer or the Chairman of the Board of Directors.

- be able to meet with and hear from, at its request, including without the presence of the Company's Executive Officers, the statutory auditors, the Chief Financial Officer, the Financing Director, the Corporate Vice-President Consolidation, the Corporate Vice-President Internal Audit and Internal Control, the Risk Management Director, the Compliance Program Officer and the Ethics Correspondent or any person of its choice within the scope of its mission.
- may, after informing the Chairman and the Chief Executive Officer, carry out specific studies, and to this end may be granted the possibility of making contact with the Company's main senior-level managers and report its findings to the Board.

### **Rules of operation**

- The accounts remitted to the members of the Committee are accompanied by a memorandum from the auditors highlighting the essential points and indicating any available options, together with a statement from the Chief Financial Officer describing the bases used for preparing the accounts and, if need be, the exposure to risks and the Company's off-balance sheet commitments, if these are significant.

During the examination of the accounts, the Committee has the option to ask for any explanation or additional information it may consider necessary. It may on this occasion hear from the Chief Financial Officer and external auditors.

- Each meeting results in the preparation of minutes.
- The Accounts, Audit and Risk Committee submits its opinion on the accounts, on the mission of certification of accounts, on how the mission has contributed to the integrity of financial reporting and on the role played by the Committee in this process, to the Board meeting that approves the accounts. It informs the Board promptly of any difficulties encountered and of the discussions that took place on subjects other than the approval of the accounts.
- A summary of its activity is published in the report of the Board on corporate governance.
- The Committee Chairman may convene a Board meeting himself and set the agenda within the Board's scope, and may call the meeting to be held without the Chairman's participation.

## **8.2 Appointments, Compensation, and Corporate Governance Committee**

### **Composition**

The Appointments, Compensation, and Corporate Governance Committee is composed of a maximum of six members, who are Non-Executive Directors, appointed by the Board of Directors. Its Chairman and the majority of its members are independent directors.

However, Executive Officers may be invited to take part in meetings relating to the compensation policy for senior-level managers, appointments or succession plans. In addition, Executive Officers may be heard by the Committee before it deliberates on their compensation.

### **Responsibilities**

## Appointments

The Appointments, Compensation and Corporate Governance Committee proposes to the Board of Directors the appointment of new Board Members, for cooptation or proposal to the shareholders at the Annual General Meeting, together with a review and selection procedure. It also proposes the appointment of Executive Directors and succession plans for Executive Directors.

## Compensation

It formulates a proposal to submit for the Board's decision regarding the compensation policy of Executive Directors, based on the principles of completeness, balance of compensation elements, comparability, consistency, intelligibility of rules and measurement. The policy adopted by the Board is presented in a report of the Board on corporate governance.

It formulates a proposal on the components of compensation for Executive Directors based on the compensation policy approved by the Shareholders' meeting.

As concerns variable compensation for the past year, it formulates a proposal for the Board, in particular on the achievement of individual objectives.

It is kept informed of the compensation policy for the main senior-level managers.

It defines the policy concerning stock option plans (the frequency, persons concerned and amount), which it proposes to the Board of Directors, and gives its opinion to the Board on the plans proposed by the Management.

The Human Resources Director informs the Committee of any changes in accounting or calculation's assumptions of the commitments made in favor of Executive Directors.

It issues a recommendation on the envelope and the procedures for the distribution of directors' fees.

## Corporate Governance

It monitors issues of corporate governance, debates rules of corporate governance at the level of the Board of Directors and makes recommendations where appropriate.

It examines the characterization of independence of each Board Member for a final decision by the Board of Directors.

It instructs all issues raised in relation to the application of the Directors' Charter and in particular situations dealing with a Director's potential conflict of interest, except if the Director concerned is a member of the Committee, in which case the matter will be reviewed by the Accounts, Audit and Risk Committee.

Once a year it leads an evaluation of the Board's operating procedures in order to improve its efficiency. Besides, at least once every three years it leads a formal evaluation of the Board's operating procedures for which it may seek the help of an external consultant. These evaluations are then discussed by the Board. It also leads, when appropriate, the effective contribution evaluation of each Member of the Board.

It is informed of directorships held by Directors in other companies, including their participation on committees of the Boards of these companies, both in France and abroad.

## **Rules of operation**

Each meeting results in the preparation of minutes and the Committee reports on its meetings to the Board of Directors.

A summary of its activity is published in the report of the Board on corporate governance.

The Committee Chairman may convene a Board meeting himself and set the agenda within the Board's scope, and may call the meeting to be held without the Board's Chairman's participation.

## **8.3 Strategy and Sustainable Development Committee**

### **Composition**

The Strategy and Sustainable Development Committee is composed of at least three directors appointed by the Board of Directors.

### **Responsibilities**

The Strategy and Sustainable Development Committee reviews the Company's consideration of long-term strategy. It examines the following topics proposed by General Management in view of providing his opinion to the Board of Directors:

1. The strategic plan (through a prior review before presentation to the Board of Directors), including in particular all change in scope of activities (discontinuance of significant activities or extension to new significant activities);
2. Annual follow-up of the progress made in significant strategic initiatives;
3. Recommendations received from external consultants, if any, mandated by the Company to assist in the formulation of its strategic plans or strategic initiatives; and
4. Strategic considerations related to major projects of mergers, acquisitions, divestments or industrial investments which are reviewed by the Board of Directors pursuant to the Internal Regulations of the Board.

The Strategy and Sustainable Development Committee also examines how the Group takes into account sustainable development aspects in the definition of its strategy.

### **Rules of operation**

The Committee meets at least twice a year on subjects (1) and (2) referred above, and as many times as needed on the other subjects within his scope.

Each meeting results in the preparation of minutes and the Committee reports on its meetings to the Board of Directors.

A summary of its activity is published in the report of the Board on corporate governance.

The Committee may hear any person of its choice within the scope of its mission.

## **8.4 Transformation Committee**

A Transformation Committee has been created for the year 2019.

### **Composition**

The Transformation Committee is composed of at least three members appointed by the Board of Directors.

### **Responsibilities**

The Transformation Committee regularly reviews and monitors the deployment of the Group's Transformation Plan.

### **Rules of operation**

The Committee meets at least 4 times during the year 2019.

Each meeting results in the preparation of minutes and the Committee reports on its meetings to the Board of Directors.

A summary of its activity is published in the report of the Board on corporate governance.

The Committee may hear any person of its choice within the scope of its mission.

## **ANNEX 1 - DIRECTOR'S CHARTER**

1. All Members of the Board must be familiar with the legal and regulatory texts associated with their duties, the By-laws, Internal Regulations, rules issued by the Company on the prevention of insider trading, the ethics policy of the Nexans Group and the principles of corporate governance presented in the Code of Corporate Governance to which the Company adheres.
2. All Members of the Board must hold the minimum number of Company shares required by the By-laws. Furthermore, it is desirable that each Board Member holds at least 500 of the Company's shares.
3. All Members of the Board must act in the interests of the Company under all circumstances and must, no matter the nature of their appointments, consider themselves as representing all shareholders.
4. All members undertake to comply with the rules set out in the "Insider Trading" group procedure. All Members of the Board are in particular prohibited from using, for personal profit or for the profit of anyone, privileged information to which they have access. In particular, when Members have access to information about the Company not made public, it is forbidden to use such information to make or have made by a third party trades in Company securities.
5. All Members of the Board must be available and devote the time and attention required to their duties. They keep the Board informed of the mandates exercised in other companies, including their participation in Board committees of French or foreign companies. They must participate regularly and diligently in Board Meetings and, where appropriate, the Committees on which they serve. They keep informed and request, in due time, information they deem necessary for effective participation in the topics on the Board's agenda. They strive to keep updated the skills necessary for the full exercise of their duties. They also attend general meetings of shareholders.
6. All Members of the Board contribute to the collegiality and efficiency of the work of the Board and its Committees. They make recommendations that seem likely to improve the Board's operating procedures, especially upon periodic evaluation. They accept that their own work as Members of the Board will be subject to evaluation.
7. All Members of the Board must maintain strict confidentiality beyond the obligation of discretion required by law concerning the content of the Committees' discussions and the Board's discussions and deliberations and any non-public information obtained during the course of their duties. It is specified that the same obligation is required of all individuals attending Committees meetings and Board meetings with regard to confidential information presented as such by the Chairman of the Board and the Chairmen of the Committees. This obligation of confidentiality is also imposed by law on the members of the Accounts, Audit and Risk Committee.
8. All Members of the Board in office must inform the Board of any conflict of interest in which they could be implicated, directly or indirectly, regarding the topics presented for discussion. They must abstain from attending the debate and voting on all topics for which they could be in a position of conflict of interest.
9. All Members of the Board are held to an obligation of loyalty to the Company. They do not take any initiative that could be harmful to the Company's interests or to other companies or entities of the Nexans Group, and they must act in good faith in all circumstances. They cannot take on responsibilities as individuals, in companies, or in business undertaking activities in direct competition with those of the Company, without the prior permission of the Chairman of the Board and of the Chairman of the Appointments, Compensation, and Corporate Governance Committee.

## **ANNEX 2 - PROCEDURE FOR APPOINTING THE PERMANENT REPRESENTATIVE OF A LEGAL ENTITY DIRECTOR OF NEXANS**

In the event that a legal entity director is elected by Nexans General Shareholders' Meeting, such legal entity director must comply with the present procedure for appointing its permanent representative to the Board.

The legal entity director must propose to the Appointments, Compensation and Corporate Governance Committee (hereinafter referred to as "**ACCG Committee**") its candidate for the position of permanent representative of the legal entity director.

The ACCG Committee reviews this application and interviews the proposed candidate before making a recommendation to the Board of Directors.

The Board of Directors then reviews the application and the ACCG Committee recommendations before approving the candidate. The approved candidate is then formally appointed by the legal entity director.

If the Board of Directors does not approve the proposed candidate for the position of permanent representative of the legal entity director, then the latter must propose another candidate to the CNRG and follow the same procedure until a candidate is approved by the Board of Directors.

In accordance with the legal and statutory provisions in force, the permanent representative of the legal entity director is subject to the same conditions, rights and obligations, and incurs the same liability as if he were a director in his own name (in addition to the joint and several liability of the legal entity director). As such, the permanent representative, like the legal entity director, must hold a minimum of 10 shares, in accordance with Article 12 of the Company Bylaws.

The permanent representative is also taken into account in assessing the feminization rate and the independence rate of the Board of Directors.

The legal entity director is free to dismiss its permanent representative at any time, regardless of the reason for the dismissal. It undertakes to inform the ACCG Committee immediately of its decision and to propose a new candidate for the position of permanent representative of the legal entity director to the ACCG Committee.