



## Charter of the Audit Committee

### July 2020

#### Version 6.1

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## 1. Introduction

### 1.1. Background

The Board of Directors (hereafter, the “Board of Directors”) of ID2S (hereafter, “ID2S” or the “Company”) established an Audit Committee under the supervision of and accountable to the Board of Directors, which is responsible for advising the management body on the performance of ID2S’ internal audit function, which it oversees.

This charter aims at describing roles & responsibilities, mandates, governance and reporting related to the Audit Committee.

### 1.2. Relevant regulation

- CSDR of EU 909/2014 Article 26 related to General provisions related to organisational requirements;
- RTS of CSDR of EU 2017/392 Article 12 related to Compliance, internal control and internal audit functions;
- RTS of CSDR of EU 2017/392 Article 48 related to Risk monitoring committees.

## 2. Composition of the Audit Committee

The Audit Committee consists of a minimum of three (3) members (including the Chairman) who are appointed by the Company’s Board of Directors.

The appointment of the Audit Committee members is based on an assessment by the Board of Directors of their ability and combined experience to fulfil the objectives of the Audit Committee and is passed by a simple majority of votes of the Board of Directors members present or represented.

The majority of the members of the Audit Committee shall not be executive members of the management board. In the present Charter, executive members include the Chairman (*Président du conseil d’administration*) and Chief Executive Officer (*directeur général*) and the Deputy Chief Executive Officer(s) (*Directeur(s) général(ux) délégué(s)*) if any.

Members are appointed among the members of the Board of Directors.

At least one member of the Audit Committee must have relevant and up-to-date expertise and experience to ensure that the Audit Committee’s pool of combined expertise and experience is sufficient to give it up-to-date experience and insight into financial affairs and financial reporting and auditing in relation to the Company.

Each member is appointed to the Audit Committee for a one-year term. Audit Committee members may be removed from the Audit Committee on decision of the Board of Directors at any time after objective consideration and with motivation. Any member of the Audit Committee who resigns from the Board of Directors will also resign from the Audit Committee.

The Audit Committee elects a Chairman for a one-year term, with appropriate experience in the field of audit, who is independent from the Company’s executive members of the management body. The Chairman of the Board of Directors cannot be Chairman of the Audit Committee.

The Chairman of the Audit Committee is not considered as independent if he or she (non-exhaustive list) fulfils the following criteria:

- He/she is - or has been within the last five years - a manager/chief officer of ID2S or of any affiliated company;
- He/she has received a compensation from ID2S or any affiliated company other than as member of the Board of Directors;
- He/she represents the interests of a controlling shareholder;
- He/she has had within the last year important business relations (as a partner, shareholder, customer, supplier or member of a governing body of a company or companies with similar relations) with ID2S or any affiliated company; or
- He/she is, or has been within the last three years, an employee or partner of ID2S' external auditor;
- He/she is a manager of any company and there is overlapping board membership between that company and ID2S;
- He/she has served on the Board of Directors for more than twelve years.
- He/she is closely related to any person who is not considered to be independent;

If the Chairman resigns or can no longer exercise his/her functions, the Audit Committee must appoint a new Chairman within a short time frame.

### 3. Missions

#### 3.1. Mandate

The Audit Committee objectives are to:

- Advise the Board of Directors on the performance of the Company's independent internal audit function, which it oversees;
- Supervise the Company's statutory audit and financial reporting;

Supervise the Company's system of internal controls and in particular their accuracy and their efficiency in order to mitigate the risks identified in the Company's processes.

The Audit Committee must make a critical assessment of the independence, objectivity, competences and performance of the auditors including:

- Statutory Auditors;
- The Company's internal audit functions;
- Other independent auditors.

The Audit Committee has clear and publicly available mandate, procedures and access to external experts' advice where necessary. The mandate is evaluated and adjusted once a year.

The Audit Committee prepares a detailed annual meeting cycle detailing the conduct of their work.

The Audit Committee's function is merely preparatory in connection with the conduct of business by the Board of Directors. Accordingly, the setting up of the Audit Committee does not limit or make unnecessary any requisite consideration by the Board of Directors, and important information required by all members of the Board of Directors must therefore be provided to all members of the Board of Directors and not only to the Audit Committee. The Board of Directors is accountable for all recommendations that have been prepared by the Audit Committee.

In particular, the Audit Committee submits recommendations to the Board of Directors, in order for this latter to express a recommendation to the shareholders meeting regarding the appointment of external auditors, prior to the expiry of their mandate.

### 3.2. Operating procedures of the Audit Committee

Meetings of the Audit Committee will be held as often as the Chairman deems necessary and if requested by a member of the Audit Committee, the Company's internal audit function, subject to a minimum of two meetings per year.

Meetings of the Audit Committee will be convened by the Chairman of the Audit Committee. In the Chairman's absence, meetings will be convened by a member of the Audit Committee who is not an executive member of the Company as defined in the section 2 of the present charter.

Before the beginning of every financial year, the Audit Committee must prepare a meeting schedule for the coming financial year. The Audit Committee's meeting schedule must be adapted to the Board of Directors' annual meeting schedule to allow the members of the Board of Directors reasonable time to prepare for the consideration of the recommendations for resolutions that the Audit Committee has submitted to the Board of Directors following committee meetings.

The General Secretary and the Company internal audit function will attend meetings of the Audit Committee, except where the Chairman of the Audit Committee specifically requests otherwise.

If so requested by the Audit Committee, meetings of the Audit Committee will be attended by the external auditor(s) and the Company's Chief Executive Officer.

Copies of all meeting agendas must be sent to the Board of Directors for information. All material prepared for the Audit Committee must be made available to the Board of Directors.

The Chairman of the Audit Committee presides over the Audit Committee's meetings.

The Audit Committee constitutes a quorum when more than half of its members are present or represented. Are considered present for the quorum and majority, members participating in the meeting of the Risk Committee by videoconference or telecommunication is in accordance with laws and regulations and within the limits they provide. These shall comprise technical features allowing the identification of participants and ensuring effective participation. To this end, these means at least the voice of the participants must transmit and allow a continuous and simultaneous retransmission of the deliberations.

The Audit Committee has no independent decision-making power. The Audit Committee only passes decisions where recommendations are to be made to the Board of Directors. All decisions by the Audit Committee must be passed by a simple majority of votes.

### 3.3. Role and responsibilities of the Audit Committee

The Board of Directors authorises the Audit Committee to:

- Investigate and assess all matters that fall within the guidelines set out in this charter;
- Obtain all necessary information from the Company's Corporate Officers and employees;
- Obtain a presentation of the conclusions of internal audits performed related to the Company;
- Follow up the implementation of the actions identified throughout the recommendations of internal audits on a regular basis;
- Obtain information from the Company's external auditor(s) elected by the shareholders meeting; and
- Obtain the advice, guidance and assistance from external advisers that the Audit Committee deems to be necessary or appropriate for performing its duties.

### **3.4. Secretariat, resources and budget**

The Company makes available to the Audit Committee the resources required for the performance of the Audit Committee's duties, including outside legal, accounting and other professional advice and assistance.

The General Secretary is responsible for the secretariat to the Audit Committee and oversees agenda setting, meeting preparation, and minutes of the meeting in coordination with the Chairman of the Audit Committee.

## **4. Governance**

### **4.1. Reporting to the Board of Directors**

Minutes of all meetings of the Audit Committee must be prepared as soon as possible and no later than two weeks after the meeting.

The Audit Committee's reasoned recommendations to the Board of Directors must be set out in the minutes.

Minutes of the meetings of the Audit Committee must be presented at the next meeting of the Board of Directors.

Meetings of the Board of Directors to consider the Audit Committee's recommendations must be organized to enable the Chairman of the Audit Committee or a member of the Audit Committee who is not an executive member of the Board of Directors appointed by the Chairman to attend the meeting.

At least every six months, the Audit Committee must report its activities to the Board of Directors. However, it is foreseen to organise an Audit Committee prior to every Board of Directors which are planned on a quarterly basis.

### **4.2. Publication of information about the Audit Committee**

The Company publishes the following information in its annual report and on its website ([www.id2s.eu](http://www.id2s.eu)):

- That ID2S has established an Audit Committee and the present Charter;
- The names of the members of the Audit Committee;
- The name of the Chairman of the Audit Committee;
- Which members of the Audit Committee are independent members;
- Which members have knowledge and experience in relevant audit matters;
- The mandate, procedures and access to external experts' advice where necessary.

The Audit Committee must ensure that the information about the Audit Committee as set out in the Company's annual report or on the Company's website is true and accurate.

### 4.3. Working method

To achieve its missions, the Audit Committee must obtain all relevant information, and, for this purpose, it must in particular determine the nature, volume, shape and frequency of the information transmitted to it.

Except in case of an emergency, the General Secretary shall communicate to the members of the Audit Committee at least three days prior to any meeting, a working folder with all information and all necessary documents to deliberate on the items at the agenda. Unless specifically requested otherwise by a member of the Audit Committee, the file will be made available to it exclusively in electronic format.

### 4.4. Remuneration

Independent members of the Audit Committee are paid for their work. The remuneration shall be determined by the shareholders meeting regardless of the performance of the Company, in accordance with Article 27 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on the improvement of securities settlement in the European Union and central securities depositories.

## 5. List of proposed members of the Audit Committee

Proposed Members of the Audit Ccommittee	Mandate
Sophie Langlois	Chairman
Delphine d'Amarzit	Member
Phi Nguyen	Member