



# **BOARD OF DIRECTORS' INTERNAL REGULATIONS**

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## Preamble

The Board of Directors of Dassault Aviation (hereinafter the “**Company**”) has decided to establish these Board of Directors’ internal regulations in order to define the rules of operations for the Board of Directors (hereinafter the “**Board**”) and its committee(s), as well as to explicit the main legal and statutory provisions that apply to all directors of the Company.

These internal regulations cancel and replace those adopted by the Board of Directors on July 25, 2012, March 4, 2021 and March 5, 2024 and the Audit Committee Charter of July 22, 2009.

The purpose of these internal regulations is to facilitate the implementation of the aforementioned provisions and rules. They may therefore not be enforced against the Company, its shareholders, or third parties.

The internal regulations do not supersede the legal or statutory provisions that apply to the Board of Directors.

Each director adheres to these internal regulations by accepting his mandate.

The Board of Directors may subsequently decide to amend these internal regulations.

Shareholders are informed of these internal regulations in the Report on corporate governance and its content is made available to shareholders on the Company’s website at the following address: <https://www.dassault-aviation.com/en/group/finance/>.

These internal regulations are subject to French law.

## **TITLE 1 — MEMBERS OF THE BOARD OF DIRECTORS**

### **Section 1 — Composition of the Board of Directors and terms of office**

- 1.1 As provided in the Company's articles of association, the Board of Directors of Dassault Aviation must be made up of between three and twelve members, appointed by the Ordinary General Meeting.
- 1.2 The Board is responsible for finding the most appropriate composition balance in terms of diversity (nationality, age, and skills) and gender (equal representation of women and men), taking into account all applicable laws so as to guarantee shareholders that it is performing its duties with the necessary transparency and objectivity. The Board reports on the application of these provisions in the Report on corporate governance.
- 1.3 Directors are appointed for four-year terms, renewables.
- 1.4 Whenever possible, directors' terms of office are renewed on a rolling basis to prevent nearly all directors' terms being renewed all at once.
- 1.5 If the Board of Directors comprises a total of eight directors or less, it must include one director representing employees. If the total number of directors is greater than eight, two directors representing employees must be appointed. The director(s) representing employees is/are not counted when determining the independence or gender balance ratios of the Board of Directors.
- 1.6 A Government Commissioner appointed by the Ministry for the Armed Forces attends all Board meetings.

### **Section 2 — Independence**

- 2.1 The Board of Directors is responsible for assessing the independence of each member on a case-by-case basis using the specific definition of independence and the formal independence criteria adopted by the Company and provided in the Report on corporate governance.
- 2.2 The Board of Directors may consider that a director who does not meet such criteria is nevertheless an independent director.
- 2.3 The Board of Directors assesses the independence of each director on an annual basis and whenever a new director is appointed or renewed, especially with respect to the formal criteria provided in the Report on corporate governance.
- 2.4 Shareholders are informed of the results of this assessment each year via the Report on corporate governance.

### **Section 3 — Ethics**

- 3.1 In the performance of his/her duties on the Board and, if applicable, on the committee(s) on which they serve, each director must uphold the interests of the Company and all of its shareholders, taking into account both the social and environmental issues.
- 3.2 To the extent possible and subject to the provisions of section 6, directors must attend all meetings of the Board of Directors and of the committee(s) on which they serve, and the Shareholders' General Meeting, unless they notify the Secretary of the Board in advance.

- 3.3 Board of Directors members must devote the necessary time and attention to the work of the Board and, if applicable, the committee(s) on which they serve, in order to fulfill their duties and review the materials that are addressed to them.
- 3.4 They must continuously ensure that their terms of office and the duties they perform for other companies do not impede them from fulfilling their duties as directors of the Company in satisfactory conditions.

#### **Section 4 — Transparency**

- 4.1 Board of Directors members must, at least annually and whenever there is a change, inform the Secretary of the Board of:
- all the management positions or director roles they take on,
  - any real or potential situation of conflicts of interest with the Company,
  - any proposed agreement that directly or indirectly affects them and that may require the prior authorization of the Board of Directors pursuant to the French *Commercial Code*.
- 4.2 In addition to their obligations under the Company's articles of association, each director, excluding the director(s) representing employees, must hold at least 250 shares for the duration of his/her term of office.

Directors are required to hold their shares in either managed registered form or pure registered form, or to hold them in an account with an authorized financial intermediary, when they reach their functions and for the duration of their terms of office.

This provision applies to shares issued by the Company and, if applicable, shares issued by the companies it controls within the meaning set out in Article L. 233-3 I of the French *Commercial Code*.

#### **Section 5 — Confidentiality**

- 5.1 Directors are bound by a strict duty of confidentiality and must keep confidential:
- Board records and all non-public information and documents they receive or gather in the performance of their duties as Board and/or committee members, both during and outside of meetings,
  - Board and committee discussions and deliberations.
- 5.2 This duty of confidentiality applies to both persons outside the Company and persons within the Company whose roles do not require them to know this information.
- 5.3 This section applies to Board members and to any person who helps prepare for or attends Board of Directors or committee meetings on either an ongoing or casual basis, e.g., Government Commissioner, Central Economic and Social Committee representative, executive managers of the Company, statutory auditors, the Secretary of the Board, etc.

#### **Section 6 — Prevention and management of conflicts of interest**

- 6.1 Directors may not use their title or their duties as directors to obtain, for themselves or for a third party, any pecuniary or non-pecuniary benefit.

- 6.2 Directors must inform the Board of Directors of any real or potential conflict of interest between themselves and the corporate interest of Dassault Aviation and must, if applicable, abstain from participating in discussions and voting on any related matters during meetings. Conflict of interest is understood to mean in particular the fact that a director is personally interested (directly or indirectly, notably through legal entities in which he exercises a management function, holds interests or that he represents) in the vote of a decision or on a deliberation by the Board of Directors.
- 6.3 In particular, the Board of Directors must be informed if any director is involved in a transaction in which Dassault Aviation has a direct interest or of which he had knowledge as a director, prior to the completion of the said transaction.
- 6.4 In any event, directors must respect their duty of confidentiality and loyalty towards the Company.

## **Section 7 — Compensation**

- 7.1 Members of the Board of Directors receive an annual compensation, the total amount of which is determined by the Shareholder's General Meeting.
- 7.2 This compensation is made up of a fixed portion and of a variable portion for the Board of Directors, and of a variable portion solely for committees. The variable portions are tied to effective attendance at Board and/or committee meetings.
- 7.3 The Board decides how to distribute this compensation to its members in the manner it deems fit.
- 7.4 The Board of Directors may also allocate exceptional compensation to directors under the circumstances and according to the conditions provided by law.
- 7.5 Board of Directors members may request reimbursement for expenses incurred in the performance of their duties as directors or committee members upon presentation of supporting documentation.

## **TITLE 2 — FUNCTIONING OF THE BOARD OF DIRECTORS**

### **Section 8 — Meetings**

- 8.1 The Board of Directors meets at least twice per year to approve the annual and half-year financial statements and as often as necessary to serve the Company's interest.
- 8.2 As provided in the Company's articles of association, Board of Directors meetings are convened by either the Chairman or at least one-third of the directors in office. Notices of Board meetings specifying the agenda are sent to the directors, statutory auditors and the Government Commissioner at least one week in advance, except in case of emergencies.
- 8.3 To ensure the attendance of directors at Board meetings, the Board of Directors sets an annual meeting schedule for Board of Directors and Audit Committee meetings from year to year. The Secretary of the Board updates this schedule and reminds directors of the dates on a regular basis.

## **Section 9 — Guests**

- 9.1 The Chairman of the Board of Directors may invite Dassault Aviation executives or third parties to participate in Board meetings, without being entitled to vote, if the topics on the agenda require it and/or if the Chairman deems it appropriate.
- 9.2 Any third party who is invited to a Board meeting or asked to participate in preparing for such a meeting is bound by a strict duty of confidentiality as laid down in section 5.

## **Section 10 — Attendance and proxy**

- 10.1 Directors may participate in Board meetings (discussions and voting) by means of telecommunication, pursuant to the regulations in force.

The aforementioned means of telecommunication cannot be used for Board decisions related to the approval of annual and consolidated financial statements and Directors' report.

- 10.2 Board members participating in Board meetings using these means of telecommunication must ensure that nobody from their environment is likely to see or hear the discussions that take place during the Board meeting.

- 10.3 The names of the directors participating by means of telecommunication are noted on the attendance sheet. This note is sufficient for proving attendance via this means of telecommunication at the meeting in question.

Meeting minutes must mention whenever any technical incidents interfere with the running of the meeting.

- 10.4 Directors may name one other director as their proxy holder for Board meetings. Each director may only serve as the proxy holder for one other director during a meeting. Directors must name their fellow director as their proxy holder in writing, by sending a letter, fax or email to the Secretary of the Board.

## **Section 11 — Information of the directors**

- 11.1 Prior to each Board meeting, the Chairman of the Board of Directors ensures that directors receive comprehensive, relevant, balanced and instructive documentation sufficiently in advance (except in emergencies) to help them prepare for said meeting and perform their duties.
- 11.2 The statutory auditors and the Government Commissioner will receive the same documents as the directors.
- 11.3 Directors who believe they lack the information or documentation needed to perform their duties are entitled to request it from the Chairman of the Board of Directors, who may refuse to grant the request if he or she believes that doing so would not be in the Company's corporate interest.

### **TITLE 3 — POWERS OF THE BOARD OF DIRECTORS**

#### **Section 12 — Representation and corporate interest**

- 12.1 The Board of Directors is a collegial body that represents all shareholders.
- 12.2 It acts collectively in the corporate interest of the Company at all times and must make sure to uphold the interests of all of the Company's partners, in particular its shareholders, employees, customers, suppliers, creditors, and debtors.

#### **Section 13 — Specific powers**

- 13.1 By law and in accordance with the Company's articles of association, the Board of Directors approves the annual and consolidated year-end financial statements.  
It determines the Company's business strategies and ensures that they are implemented, and carries out any checks and inspections it deems appropriate.
- 13.2 Without prejudice to its other powers as provided by law and the Company's articles of association, the Board of Directors controls the Company's general operations, including:
- analyzing order intake, backlog, and net sales amounts,
  - reviewing budgets for self-financed technology investments and industrial investments,
  - analyzing the rollout of civil and military programs,
  - monitoring the implementation of the social policy.

The Board ensures that the risks generated by the Company's activities are identified and managed.

- 13.3 As required by law, the Board approves all regulated agreements prior to their execution, as well as any transactions that are of strategic and/or significant importance.

### **TITLE 4 — COMMITTEES OF THE BOARD OF DIRECTORS (COMMON OPERATING RULES SHARED BY ALL COMMITTEES)**

#### **Section 14 — Creation and powers**

- 14.1 The Board of Directors may decide to create committees to examine particular issues that it or the Chairman of the Board would like the committee to review and provide an opinion, suggestions, or recommendations to prepare the Board's work.

The Board appoints members from among the directors and determines their powers and operating procedures.

Committee meeting agendas are made by or in consultation with the Chairman of the committee.

Depending on the topics on the agenda for each meeting, committee chairmen may invite anyone else of their choosing to participate in the meeting.

- 14.2 Furthermore, the Chairman of the Board of Directors may request that specific committees be formed to review proposed transactions, such as entering into an important agreement or making an investment or divestment, when referring such a matter to an existing committee does not appear to be the best way to investigate it so the Board of Directors can make a decision.



## **Section 15 — Organization**

- 15.1 Committee meetings take place whenever the committees deem necessary, as convened by the Chairman of the committee or the Chairman of the Board of Directors, and, in all cases, before any Board of Directors meeting for which the agenda has a point requiring the committee's opinion.
- 15.2 The Secretary of the Board of Directors provides secretarial services for the committees.
- 15.3 Committee members must personally attend committee meetings. They may not name a proxy. Committees may only meet if at least half of their members are present or participating by means of audio or video communication. Committee members sign an attendance sheet at the beginning of each meeting.
- 15.4 Committees provide opinions, suggestions, and recommendations, which are presented to the Board by the Chairman of the committee or by another member designated by the Chairman if he or she is unable to do so.
- 15.5 Only the Board of Directors may make decisions on issues submitted to the committees, which act solely in an investigative and advisory capacity. Committees do not make decisions themselves; rather they prepare the information needed for the Board to make them.
- 15.6 Written minutes are prepared after every committee meeting and approved by the committee's members.
- 15.7 The Company bears all expenses incurred by the committees in the performance of their duties, especially fees related to investigations or audits.
- 15.8 Committee members and any non-members invited to committee meetings are required to keep confidential from any third party at any Board of Directors meeting all information provided to them or to which they had access while working on the committee in question.

## **Section 16 — Information**

- 16.1 The Company's executive management team provides information to the committees according to Board meeting agendas.
- 16.2 Each committee is entitled to request:
  - any additional information it deems necessary to perform its duties from executive management; in response, executive management may provide the resources (internal study or outside expertise) it believes are the most appropriate,
  - that, under extraordinary circumstances, the Board of Directors to be able to seek outside expertise.

## **TITLE 5 — AUDIT COMMITTEE**

### **Section 17 — Composition**

- 17.1 The Audit Committee is made up of three directors, including at least one independent director, appointed by the Board of Directors.

The Chairman of the Board of Directors may not serve on the Audit Committee.

The Audit Committee elects a Chairman and designates a Secretary.

- 17.2 Audit Committee members serve for renewable three-year terms. The Board of Directors may remove or replace committee members.

Audit Committee membership terminates automatically if a member loses his or her status as director.

Audit Committee members may resign by giving three months' advance notice.

- 17.3 The Audit Committee may include persons who are not on the Board of Directors but who have particular skills. The obligation of confidentiality as laid down in section 5 is applicable to such persons.

### **Section 18 — Missions**

- 18.1 The Audit Committee acts under the sole and collective responsibility of the Board of Directors.

The Audit Committee does not make decisions. The sole purpose of the Audit Committee is to prepare the information the Board of Directors will use in its discussions.

- 18.2 The Audit Committee is responsible for monitoring:

- the procedure for preparing financial information,
  - the effectiveness of the risk management and internal control systems,
  - the auditing of the company and consolidated financial statements by the statutory auditors,
  - the independence of the statutory auditors,
  - the procedure for preparing and monitoring sustainability data,
- and, more generally, all the tasks provided for by applicable provisions.

### **Section 19 — Functioning**

- 19.1 The Audit Committee meets whenever it deems necessary, as convened by its Chairman or the Chairman of the Board of Directors, and, in all cases, before any Board of Directors meeting for which the agenda includes reviewing and approving financial statements or the sustainability report or any discussion pertaining to the financial statements or sustainability data.

The statutory auditors and the persons responsible for certifying sustainability data may request that the Audit Committee meets or that they can interview the committee if they deem it necessary.

The Audit Committee may only meet if at least two members are present or participating by means of audio or video communication.

The Audit Committee may hear the statutory auditors as part of preparing the annual or half-year financial statements and the persons responsible for certifying sustainability data in the context of preparing the sustainability report.

The Company bears all expenses incurred by the Audit Committee in the performance of its duties, especially fees related to investigations or audits.

Audit Committee members and any non-members invited to Audit Committee meetings are required to keep confidential from any third party at any Board of Directors meeting all information provided to them or to which they had access while working on the Audit Committee, as laid down at section 5.

The Secretary of the Audit Committee drafts the Audit Committee activity reports and opinions, especially those related to draft financial statements and sustainability data.

The Chairman of the Audit Committee presents these reports and opinions to the Board of Directors.

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