



INTERNAL RULES OF THE BOARD OF DIRECTORS

PREAMBLE

The Board of Directors (hereinafter the “**Board of Directors**” or the “**Board**”) operates in accordance with the corporate governance principles of the “Corporate Governance Code of Listed Corporations” resulting from the consolidation of the October 2003 AFEP and MEDEF reports, the January 2007 and October 2008 AFEP-MEDEF recommendations on corporate officer compensation, the April 2010 recommendations concerning the strengthening of the representation of women within boards, the June 2013 recommendations on “Say-on-Pay” shareholder votes , stricter “comply or explain” requirements and on the establishment of the High Committee on Corporate Governance (*Haut Comité de Gouvernement d’Entreprise*), the November 2016 recommendations relating in particular to independence, CSR and corporate officer compensation, and the June 2018 recommendations relating, in particular, to the duties of the board of directors, as amended in January 2020 (the “**AFEP-MEDEF Code**”) to which Kering (hereinafter the “**Company**”) refers to.

These internal rules are intended to set forth the operating procedures of the Board of Directors of the Company.

COMPOSITION OF THE BOARD OF DIRECTORS

At least one third of the Board of Directors is composed of independent directors. In accordance with the articles of association, when the number of Board members appointed by the shareholders’ general meeting is lower than or equal to eight, a director representing the employees is appointed for a four-year term by the Company’s Social and Economic Committee. When the Board comprises more than eight members, a second director representing the employees is appointed for a four-year term by the European Works Council.

CONFLICTS OF INTEREST

Directors undertake to inform the Chairman of the Board of Directors of any situation of conflict of interest, even potential, between their duties towards the Company and their private interests and/or other duties, and not to take part in the vote on any deliberation concerning them directly or indirectly.

The Chairman of the Board of Directors may at any time request a written statement from the directors confirming that they do not have any conflicts of interest.

DUTIES AND POWERS OF THE BOARD OF DIRECTORS

The Board of Directors performs the duties and exercises the functions granted to it within the scope of the statutory powers ascribed to it and those conferred by the articles of association.

It determines and assesses the strategy, objectives and performance of the Company and ensures their implementation, in accordance with its corporate interest, taking into consideration the social and environmental challenges of its business. Subject to the powers expressly granted to the shareholders' general meetings and within the limits of the corporate purpose, the Board deals with any issue concerning the proper operation of the Company and acts in all matters over which it has authority.

The Board carries out the controls and verifications it deems appropriate.

The Board may grant, with or without the right of substitution, all delegations of powers to its Chairman or to any other representatives it may designate, subject to the limitations set forth by law.

BOARD OF DIRECTORS' APPROVALS

In accordance with the articles of association and without prejudice to the legal provisions governing the authorisations that must be granted by the Board of Directors (e.g., regulated-party agreements, endorsements, suretyships and guarantees, divestments of shareholdings and sale of real estate), the following are subject to the prior approval of the Board of Directors:

- a) matters and transactions that have a significant impact on the strategy of the Company and, more generally, of the Kering Group (hereinafter the "**Group**"), its financial structure or its scope of business;
- b) unless the shareholders' general meeting decides otherwise, the issue of securities of any kind that may result in a change in the share capital; and
- c) the following transactions by the Company or by any entity controlled by the Group; provided that they each exceed an amount set annually by the Board:
 - any investment or divestment, including the acquisition, transfer or exchange of shares in any existing or future company; or
 - any purchase or disposal of the Company's real estate.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors shall meet at least four times a year and as often as the Company's interest requires, at the convening of its Chairman or at the request of at least one third of the Directors. The meeting shall be held either at the registered office or at any other place indicated in the convening notice. The meeting may be convened by any means, even orally, by the Chairman, the secretary of the Board at the request of the Chairman or, in the event of unavailability of the Chairman, by the Vice-Chairman or, failing that, by the oldest director.

The agenda of the meetings is set by the Chairman.

The Chairman chairs the Board meetings and organises the work and meetings of the Board. If the Chairman is unable to attend, the Vice-Chairman shall replace him/her in accordance with Article 12 of the articles of association.

The Chairman shall ensure that the Company sends the directors all relevant information and documents in due course before each meeting; he/she shall take into account their suggestions, if applicable, to enable the Board to have knowledge of the business of the meeting and deliberate thereon under the most appropriate conditions on all matters within its competence.

All persons attending meetings of the Board of Directors are required to exercise discretion with regard to information of a confidential nature identified as such by the Chairman, and to observe a general duty of confidentiality on all Board and Group matters.

Pursuant to Article L. 225-37 of the French Commercial Code, directors who participate in the Board meeting by means of videoconferencing and/or other remote communication technologies under the conditions authorised by the regulations applicable on the day of the meeting shall be deemed to be present for the purposes of calculating the quorum and majority. However, this provision does not apply to the adoption of decisions specifically excluded by law, in particular those set forth in Articles L. 232-1 and L. 233-16 of the French Commercial Code (preparation of the company's financial statements and consolidated annual financial statements and the reports referred to in said Articles). The videoconferencing and other remote communication technologies used must allow the identification of directors participating in the Board meeting by said means and guarantee their effective participation in the deliberations.

Directors who, while present at a meeting, declare that they will not participate in a vote shall be counted in the quorum but not taken into account for the calculation of votes.

COMMITTEES

In order to fulfil its duties in the interests of good governance and in accordance with statutory provisions, the Board of Directors has set forth four committees, composed of members chosen from the Board: the Audit Committee, the Remuneration Committee, the Appointments and Governance Committee and the Sustainability Committee. The Chairman of the Board of Directors may in all circumstances be heard in each of the Committees.

Within the framework of their internal rules adopted by the Board of Directors, the work of each Committee is determined by the Board of Directors in accordance with the collegiate principle that prevails in the Board of Directors.

The Committees shall report regularly to the Board of Directors.

Any member of a Committee may, at any time, inform the Chairman of the Board of Directors of any aspect of the Committee's work of which he/she considers it appropriate for the Board to be informed.

All persons attending Committee meetings are required to exercise discretion with regard to non-public information and to observe a general duty of confidentiality on all Committee and Group matters.

In accordance with the law, the four committees are not exclusive of other committees that the Board of Directors may decide to appoint on a temporary or ad hoc basis.

Audit Committee

In accordance with the law, the Audit Committee's main duties, without prejudice to the powers of the Board of Directors, is to monitor:

- the process of preparing the annual and half-yearly financial statements and, more generally, financial information;
- the implementation and effectiveness of internal control and risk management systems;
- the statutory audit of the annual financial statements and, where applicable, the consolidated financial statements by the statutory auditors; and
- the independence of the statutory auditors.

It is kept informed of significant financial projects and/or decisions.

The committee conducts deliberations on the due diligence carried out prior to the preparation of the annual and half-yearly company and consolidated financial statements.

It may hear, question and request reports from the Company's statutory auditors and those of the consolidated companies and have access to all documents to perform its duties.

It may hear any member of the staff, advisor or third party to the Company including the Company's financial departments.

The Audit Committee is also responsible for examining the candidacies of the statutory auditors prior to their appointment by the shareholders' general meeting.

Each year, it reviews their fees and assesses their independence.

The Committee may also consider any potential candidate for the position of statutory auditor.

The company's statutory auditors shall be convened to the Committee's meetings, as necessary.

The Committee may meet at any time, when convened by its Chair or the Chairman of the Board of Directors; this convened notice shall be sent to the Company's statutory auditors, if applicable.

The Committee will immediately inform the Board of any difficulties encountered.

Remuneration Committee

The main duties of the Remuneration Committee, within the limits of the powers of the Board of Directors, is to submit to the Board all proposals concerning the remuneration policies of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer and, as the case maybe, the remuneration components of any other deputy chief executive officer, as well as directors' remuneration policy by determining the method for allocating directors' fees granted by the shareholders' general meeting to the Board of Directors.

The Committee is also responsible for assessing the general remuneration policy for the members of the Group executive committee and for Group corporate officers who are not members of the executive committee.

It can address any significant issues in this area.

Appointments and Governance Committee

The main task of the Appointments Committee, within the limits of the powers of the Board of Directors, is to examine and propose to the Board of Directors the candidates for the position of director to be co-opted by the Board or to be appointed by the Company's shareholders' general meeting, as well as to examine and propose to the Board the appointment of deputy chief executive officers.

The Committee may consider any potential candidate for election as a director of the Company.

Prior to their appointment and, if it deems it useful, at any time, the Committee will review the situation of the Company's directors with regard to the independence criteria set out in the AFEP-MEDEF Code, as well as the reported situation, at any time, by each director and as relevant to him/her.

In particular, the Appointments and Governance Committee establishes a procedure to select future independent directors and conducts its own research on potential candidates before approaching them.

It can address any significant issues in this area.

Sustainable Development Committee

The main task of the Sustainability Committee, within the limits of the functions of the Board of Directors, is to assist the Company and the Group in the establishment, implementation and monitoring of good corporate governance, mindful of the striving by the Board and Top Management to achieve a high level of sustainable development in their economic, social and environmental context, the Group's clear ethical ambitions and the principles and practices of social responsibility of the Group, its senior executives and employees.

It can address any significant issues in this area.

LEAD INDEPENDENT DIRECTOR

In order to carry out its duties in the interests of good governance and to provide additional guarantees for the proper conduct of the Board and the balance of powers within it, the Board of Directors has added to its composition a Lead Independent Director.

His/her duties and powers are as follows:

Organization of the Board of Directors' work and relationship with directors;

The Lead Independent Director:

- is consulted on the agenda and schedule of the Board meetings and may propose specific items to the Chairman for inclusion in the Board of Directors' agenda;
- liaises between the independent directors, other members of the Board members and Executive Management. This includes maintaining regular and open dialog with each of the directors, particularly the independent directors. At least once a year, he/she organizes a meeting without the presence of the executive corporate officers;
- prevents conflicts of interest. He/she brings to the Board's attention any potential conflicts of interest identified involving executive corporate officers or other Board members;
- ensures compliance with the Board of Directors' internal rules; and
- is involved in the Board of Directors' evaluation process and reports to the Board on said evaluation.

It is specified that the loss of independent status immediately put an end to the Director's role as Lead Independent Director.

Relationship of the Lead Independent Director with shareholders.

The Lead Independent Director:

- in coordination with the Chairman of the Board, represents the Board in its dealings with investors concerning ESG (Environment, Social, Governance) matters. This includes making him/herself available to meet with some of them and reporting the shareholders' ESG-related questions back to the Board; and
- stays informed about shareholders' requests in relation to corporate governance and ensures that responses are provided.

Conflicts of interest

The Lead Independent Director seeks to prevent situations of conflict of interest from arising. He/she brings to the attention of the Chairman and Chief Executive Officer and the Board of Directors, any potential conflicts of interest identified involving the executive corporate officers and other Board members or that have been brought to his/her attention.

In the context of the obligation to report any conflicts of interest provided for in these rules, any director in a situation of conflict of interest, even potential, must inform the Board of Directors and the Lead Independent Director thereof.

The Lead Independent Director must ensure the proper operation of the Board and the Committees and compliance with these rules. In this capacity, he/she may make any proposal or recommendation he/she deems useful. He/she ensures that the directors are in a position to perform their duties in the best possible conditions and that they receive the appropriate level of information to perform their duties in a reasonable manner.

Resources

The Lead Independent Director:

- has access to all documents and other information he/she deems necessary for the performance of his/her duties. He/she may, in the exercise of his/her powers, request external technical studies to be carried out at the Company's expense;
- is kept regularly informed about the Company's activities. He/she may also meet with the operational and functional executives, at his/her request, and after having informed the Chairman and the Chief Executive Officer;
- may also request the assistance of the Board secretariat in the performance of his/her duties; and
- may request to participate in the meetings of Committees of which he/she is not a member, by agreement with the Chair of the relevant Committee.

Reports

The Lead Independent Director reports to the Board of Directors on the performance of his/her duties once a year. During the shareholders' general meetings, he/she may be also be asked by the Chairman to report on his/her actions. At the end of each Lead Independent Director's term of office, the Board shall conduct a review of the functioning of the position, as well as a reassessment of the associated powers of the Lead Independent Director to adapt them if necessary. In addition, the Lead Independent Director presents the Board with a summary of the work he/she has carried out over the past year.

OWNERSHIP OF COMPANY SHARES

Directors are shareholders in their own right and, in accordance with Article 10 of the articles of association, must own at least 50 shares in the Company. If they do not own said shares when they take up their duties, they shall acquire them within six months of their appointment.

INSIDE INFORMATION - TRADING IN SECURITIES AND FINANCIAL INSTRUMENTS OF THE GROUP OR OF RELATED COMPANIES

With regard to sensitive information, the directors must in all circumstances observe the rules and practices in force with regard to inside information, keeping confidential any information not made public by the Kering Group.

The duty of neutrality and confidentiality shall not preclude any participant in the Board meetings from complying with the rules and regulations on the obligations of insiders to refrain from trading in financial instruments issued by the Company or any of its controlled entities.

The Group's securities and financial instruments include the shares of the Company and its subsidiaries listed on a regulated market as well as any related financial instruments.

In particular, the directors shall refrain from trading directly or indirectly in relation to the Group's securities and financial instruments:

- during the period beginning on the thirtieth calendar day preceding the Company's periodic publication of the consolidated financial statements and ending at the close of the trading day following the issuance of the relevant official press release; and
- during the period beginning on the fifteenth calendar day preceding the Company's periodic publication of consolidated turnover and ending at the close of the trading day following the publication of the relevant press release.

The same legal or regulatory obligations apply to each director in respect of any financial instrument listed on a regulated market whose issuer has a relationship with the Group, provided that the director has knowledge of inside information.

In case of doubt regarding his/her obligations, the director concerned should inform the Group Ethics Committee or one or more other directors of the Company in good time.

With respect to transactions in the Company's shares and related financial instruments, the directors shall report to the Company and to the French financial market authority (*Autorité des Marchés Financiers*) each such transaction (as well as those reported to them by persons closely related to them within the meaning of the applicable regulations) within three business days of the date of the transaction.

Transactions made by directors and/or their associates shall be disclosed to the public in accordance with the applicable regulations.

EVALUATION OF THE BOARD OF DIRECTORS

The Board of Directors, to ensure the effective fulfilment of its duties, carries out an annual assessment. In this respect, it examines the way it operates, the way it hears reports, the quality of the information made available to it, the quality of the preparation of its decisions and discussions, as well as the effective contribution of each member to the work of the Committees and to the Board.

At least every three years, the Board shall conduct a review of its composition and activities carried out by an independent member or third-party expert appointed by the Board and reporting to it.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The directors' remuneration, allocated within the annual budget decided by the shareholders' general meeting, comprises a fixed portion granted to all directors and a predominant variable portion granted on the basis of their participation to the meetings of the Board and its Committees. In addition, the members of the Audit Committee, the Remuneration Committee, the Appointments and Governance Committee and the Sustainability Committee receive a fixed half portion and a variable half portion set according to the same procedures.

Further, the Board of Directors may decide to grant to one or more Committee Chairs a special portion deducted from the overall fixed amount, prior to the above grant.

Specific remuneration, subject to objectives predefined by the Board of Directors, may be granted to the Lead Independent Director.

HONORARY CHAIRMAN

The Board of Directors may appoint an Honorary Chairman who may attend the meetings of the Board and its Committees on a consultative basis.

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