

FRENCH CORPORATE GOVERNANCE IN LISTED COMPANIES

DRIVING GROWTH &
ATTRACTIVENESS

A GUIDEBOOK FOR INVESTORS

WITH



SEPTEMBER 2012

Acknowledgements

The French Institute of Directors (IFA), the Greater Paris Investment Agency both at the initiative of this document together with the French Council of the Association of Registered Accountants (CSOEC) and the French Institute of Statutory Auditors (CNCC), partners of this project, are sincerely grateful to all the institutions members of the working group for their valuable contribution and particularly thank for their active commitment:

- Chairman and members of the steering committee ;
- Chairmen and members of the 3 workshops in charge of each chapter of this guidebook ;

Names of the members of the working group by organization are provided at the end of the document.

The institutions members of the working group are:
ASTCF, AFG, AMF, CCIP, CNCC, CSOEC, DFCG, ECODA, ESSEC, IFA, OCDE*, ORSE, NYSE Euronext, Paris Europlace, Paris IDF Capitale Economique (the Greater Paris Investment Agency), SFAF.



Warning

The working group has developed this French Guidebook to assist those parties and investors interested in learning about how Corporate Governance is applied by listed companies in France. It provides a summary of the regulatory environment and soft law for Corporate Governance in France and the scope for application of such requirements under French Law.

This document does not constitute any financial advice, nor does it replace the regulatory requirements of the French Market Authority (AMF). It should be read in conjunction with the detailed requirements of the AMF to form a definitive view in terms of the application of the relevant operating environment in France to each individual set of circumstances.

The opinions expressed and arguments employed herein are those of the author and do not necessarily reflect the official views of the OECD or of the governments of its member countries.

Preface

Good corporate governance has become an important value driver, enhancing the reputation of a country or economic region among its financial and industrial partners.

For this reason, the French Institute of Directors and the Greater Paris Investment Agency have prepared this Corporate Governance guidebook for the international business community. The guidebook contains a description of the legal framework and typical practice of corporate governance among listed companies in France.

This guidebook was prepared by a working group led by the International Commission of the IFA. The working group functioned as a collaborative platform integrating contributions from institutions representing the main stakeholders in corporate governance, including companies, financial market players, and audit and control organizations. The French Council of the Association of Registered Accountants and the French Institute of Statutory Auditors kindly agreed to be partners in this project. Consequently, this guidebook represents a consensus view of how corporate governance is practiced by listed companies in France.

While already complying with some of the highest European and international standards, we believe that corporate governance as practiced in France should continue to improve. This guidebook is intended to help further that upward trend by improving the international business community understanding of French corporate governance laws and practices.



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Foreword

This guidebook on listed companies' corporate governance in France is intended to be an operational tool for financial investors and stakeholders in the business community as they wish to develop trustworthy economic relationships with French companies.

The goal of our professions is to ensure the reliability of the accounting and financial information delivered by companies to the markets on their activities, results and financial position. Our ethics standards and expertise are directed towards ensuring the transparency of the information provided. This is one of the fundamentals of good corporate governance.

Building on past achievements, there is a growing desire among both the national and international business communities to build sustainable relationships and to create shared added value for the long term. Having this in mind, a solid corporate governance environment is essential for the development of the corporate ecosystem, both in terms of ethics and performance.

As contributing partners, we are convinced that this guidebook is of significant and positive value in outlining the current high-level standards of corporate governance in France, and thereby contributing to the attractiveness of the country's businesses in the international markets.

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Introduction

Corporate Governance in France: Background

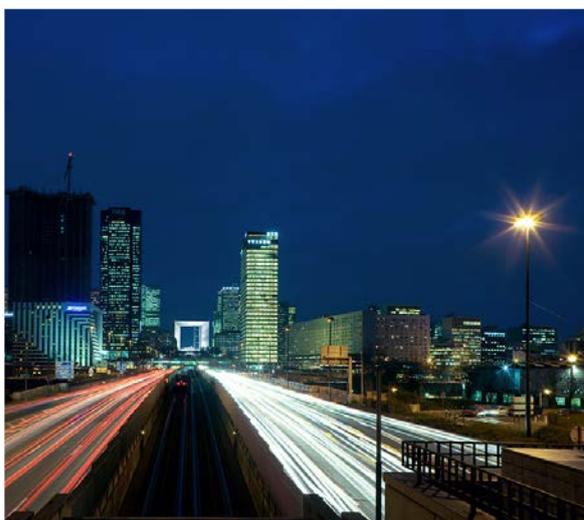
The quality of corporate governance among listed companies in France has improved rapidly in past recent years. French standards now meet the highest international levels. In particular, they meet or exceed those recommended by the OECD, which together with the European Commission leads development in this area.

French legislation protects the interests of shareholders by requiring that all the most important decisions taken by companies must be approved by shareholders' general meetings. However, French legislation is not overly burdensome. It simply sets forth the general framework of governance, leaving the responsibility for developing the details to corporate management. For example, French companies can have either a unitary (UK) or a two-tier (German) board system. The chairman of the board may also be the CEO.

However, the regulation of governance has in recent years increasingly been developing by reference to soft legal guidelines. These guidelines are compiled in corporate governance codes issued by private organizations involved in corporate governance. They include the Afep-Medef Code (i.e., large company and employer organizations) for the main listed companies; the Middlenext Code (i.e., medium sized corporate organizations) for companies listed on secondary markets; and recommendations of the AFG (the French Management Institute) on corporate governance.

Companies either comply with a corporate governance code or make "comply or explain" statements for those provisions they do not adhere to. The AFEP and the MEDEF publish an annual report on how the SBF120 companies implement recommendations in order to monitor progress. In addition, the AMF (Financial Markets Authority) publishes an annual report on the corporate governance of listed companies, and from time to time issues recommendations to improve transparency and further the development of best practices.

The progress made by French companies in the field of corporate governance is obvious, particularly with regard to the balance of powers, board performance and the transparency of corporate practices.



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Source documents noted in the body of the text are listed at the end of this document



1 Structure of the Board of Directors : Composition, Status and Objectives

One of the primary purposes of a good board of directors is to reflect a certain balance that is necessary for governance quality. There are several ways this balance is achieved.

Balance of power

- Firstly, the board is balanced in its structure. In practice this means that the duties of chairman and CEO are less frequently fulfilled by the same person. However, boards decide whether they are separated or not on a case by case basis, in line with the situation and needs of the company. It is to be underlined that neither the law nor corporate governance codes favor one solution.

- Secondly, the board is balanced in its composition. There is an increasing number of independent directors, female directors and international members in French boards.

- Thirdly, regarding the status of board members: the remuneration of directors is frequently in proportion to their contribution, while in return they assume strict ethical obligations and bear the risk of being held responsible for their own negligence;

- Finally, there must be a balance in the assignments of the board of directors. If the board under French law has its own powers (convocation of AGM, authorizations for regulated agreements, annual reporting), it must act as an effective control body as well as defining the strategy of the company in close consultation with executive management.

*CCIP – Anne Outin-Adam
President of the « Balance of Power” workshop*



1. 1. Structure of the Board

The choice of board structure

The vast majority (77 %) of listed companies on the SBF120 index use the unitary board system. Only 18% have opted for the two-tier board system. ¹

Compared with other European countries, French companies have a larger choice regarding the board structure. The unitary board system is used in the UK, while the strict two-tier system is used in Germany. Consequently, the French system provides a welcome degree of flexibility. ²

The choice of board structure in companies with a Board of Directors

Companies opting for the unitary board system can decide whether or not to combine the functions of chairman of the board with that of the CEO.

There has been a recent trend towards separating the duties of chairman and CEO. 31% of a group of companies composed of those listed on the SBF120 index and of a representative selection of midcaps, 31% opted for a separation of the duties of chairman of the board and CEO in 2011, compared with 24% in 2010. ³

When considering also companies with two-tier boards, one can observe that more than half of the companies in this group are not managed by an individual who simultaneously fulfills the duties of Chairman of the Board and CEO. ⁴

However, there is also a recent trend towards combining duties among large caps, due to the uncertain economic climate; the combined model is seen as providing a more reactive governance structure. The principle of “comply or explain” gives companies who decide to return to the combined system the opportunity to explain their choice to the market. This is an increasingly popular approach: 81 % of CAC40 companies and 64 % of SBF120 companies explained this choice in 2010 compared with 62 % and 50 % in 2009, respectively. ^{4 1}

On the other hand, the practice of nominating a “lead director” is becoming more widespread. The lead director is generally chosen among the independent directors and vested with expanded powers. The AMF recommends that these powers should be clearly defined. ³

The AFG sets forth the key functions that should be assigned to a lead director in companies that have not opted for a separation of duties of chairman of the board and CEO. ²⁸

Collegiality and number of directors

French law requires that the board of directors be comprised of at least three members, with a maximum of 18.

The board is a collegial body. Indeed, the governance code explicitly mentions that it should be collegial, but without specifying the number of members, given the variety of sizes of companies involved.

The average number of directors of SBF120 companies was 12.7 in 2010, compared with the European board membership average of 12.1 for the same period. ²

1.2. Composition of the Board

The provisions relating to the directors also apply to the members of the supervisory board.

The independence of directors

In this area, the requirements are mainly taken from the various codes of governance. Under the Afep-Medef Code half of the directors in companies with diversified capital holdings where there is no controlling shareholder must be independent; in controlled companies, at least one third of the directors must be independent. In line with generally accepted European practice, this code states that independent directors should not have links of any kind with the company, the group or management. ⁵

Under French law at least one member of the audit committee must be an independent director.

Directors' CV information presented to shareholders is now more detailed, both concerning their past activities and their other active directorships.

Almost all companies listed on the SBF120 report the number of independent directors and provide a list of their names. Furthermore, in 71% of controlled

companies on the SBF120, independent directors accounted at least for a third of overall board membership during 2010; 75% of non-controlled companies had the recommended proportion of at least half independent directors. ¹

In general, the average percentage of independent directors is 52%, and this increases to 59% for companies listed on the CAC40. By comparison, the average percentage is 43% at the European level. ^{4 2}

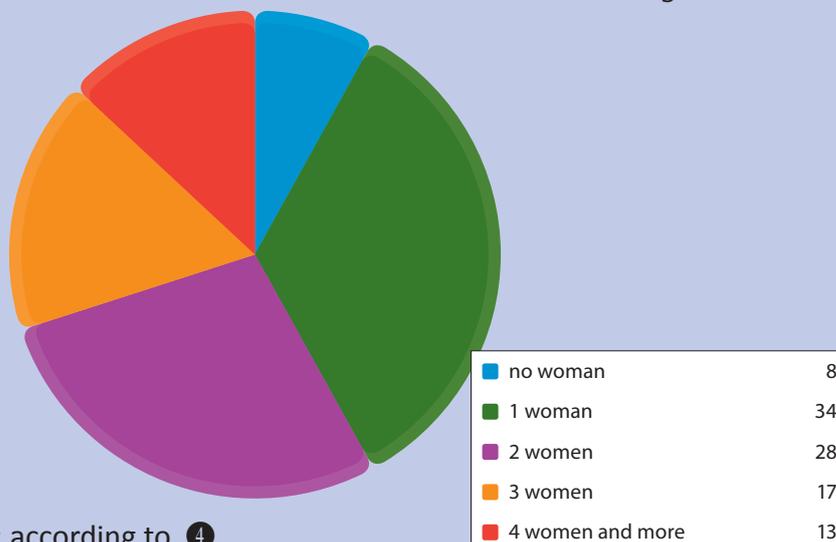
Companies are required to provide more detailed reporting on independent directors. In particular, they are required to present detailed explanations when they indicate that the corporate governance code regarding independent directors has not been complied with in full. ⁴

79% of listed companies, including almost all large caps, now clearly state their independence requirements. ³

Board diversity

Companies are increasingly seeking to enhance the diversity of the board, particularly through additional competence and internationalization (depending on the activity and size of the company).

The number of women on boards, as measured at general meetings in 2011



Source : according to ⁴

It should be noted that the proportion of executives on the board (i.e., directors who perform an executive function within the company) is less than a third on average. This is particularly in contrast to the situation on UK boards.

Women in boards

The law requires that women represent a proportion of 20% at a minimum in boards by 2014 and at least 40% by 2017. To be noted that the last version of Afep-Medef Code (2010) recommended the same percentages.

French listed companies have already demonstrated their willingness to increase the number of women in boards: the percentage of women on CAC40 company boards was 24% after the AGMs held in 2012 as compared to 12.3% in October 2010. These companies are exceeding in advance the legal requirements. This represents the largest increase in any European country, with France alone accounting for almost half of the increase in the number of women directors in the European Union. By comparison, the percentage of women was only 15.6% on the largest UK and German company boards, while the average percentage in the entire European Union was 13.7%. ⁶

The internationalization of boards

In France, neither the law nor the corporate governance codes contain any requirements

regarding the nationality of board members. The AMF has suggested in a recommendation issued in July 2010 that companies include in the objectives made public to diversify their boards as regard the nationality of members or their international experience ⁷

The average percentage of foreign directors in boards is 20% among the listed companies that published data on this feature. ⁴

The average percentage raises to 27% for companies listed on the CAC40. It is a higher percentage than the European average among companies of similar size (24%). ²

Length of board director terms

Under French law, the length of board director duties is fixed by the articles of association. It may not exceed 6 years; however, unless the articles of association provide otherwise directors may be reappointed. In order that the shareholders may be in a position to express their wishes with sufficient frequency, the Afep-Medef Code more strictly limits terms to 4 years. The AFG also suggests that terms should not exceed 4 years. In practice, almost all SBF120 companies have terms of 4 years or less.

It is also generally believed that renewal of terms should be staggered to avoid bloc renewals. ⁵

Further, 89% of CAC40 companies and as many as 81% of SBF120 companies report terms of less than or equal to 4 years. ^{1 2}

These terms are in line with the average length at the European level, which is 3.1 years for the largest companies by market capitalization. ²



The age of directors

Under French law, the articles of association may impose an age limit either for all directors or a defined percentage of the board members. Otherwise, the number of directors over 70 may not exceed one third of the total. The Afep-Medef Code recommends that companies report the age of each director in the annual report. ⁵

The average age of CAC40 company directors was 59.5 years during the 2011 accounting year ³. This age profile is in line with the European average (58.4 years) for the principal listed companies. ²

Employee directors and directors representing employee shareholders

Under French law, any company may nominate employees as directors up to one third of the total number, and the articles of association may provide that these directors should be elected by the employees of the company, up to a maximum of five.

Further, the law requires that listed companies nominate to the board one or more representatives of employee shareholders in companies where employees hold at least 3% of the share capital, unless these companies already have directors that have been elected by the employees.

Representatives of the workers' council (comité d'entreprise) are involved in the work of the board of directors in a sole consultative role.

At the end of 2010, 11.4% of SBF120 companies had at least one employee director other than senior management and 20.2% had at least one director representing employee shareholders. ⁸

With an average of 4% of employee directors, French companies provide an opening to their boards, compared with the UK situation where the board is closed to employees. ²

On the other hand, the situation in France is much more flexible than in Germany, where half of the supervisory board members must by law be employees in large companies.

Director shareholdings

The law no longer requires that directors of French companies should be also shareholders. However, in practice the articles of association of many companies or board rules require minimum shareholdings by directors to demonstrate their interest in the company.

According to the Afep-Medef Code, directors should hold a reasonably significant number of shares; if they do not hold shares on appointment they should use their directors' fees to acquire a holding (article 17 p.24). ²

Shareholders representation

Representation of minority interests is dealt with by the nomination of independent directors, in numbers that reflect the shareholding structure of the company (see above). ⁵

As for the lead shareholders, the boards of French companies include a percentage of major shareholders that is slightly above the European average (22% compared with an EU average of 17%). ²

1.3. The Status of Directors

The remuneration of directors

Under French law the board of directors must be paid an annual fixed membership fee (“jetons de présence”), the aggregate amount of which is decided by the shareholders’ general meeting. This amount is then distributed among the directors by the board.

The Afep-Medef Code proposes that the attendance of directors and their participation on committees be considered when distributing the jetons de présence. ²⁵

The AFG proposes that the allocation and changes in board members’ fees should be detailed in companies’ annual reports. ²⁸

The publication of the remuneration system of directors and more generally, of corporate officers, is now a well-established practice. In fact, 97% of CAC40 companies and 89% of SBF120 companies gave details in their annual reports on the allocation of board member fees in 2011. In comparison, this percentage is 85% for the largest European companies. Further, the practice of allocating payment as a function of directors’ attendance is widespread. In 2011 this was done by 95% of CAC40 companies and as much as 78%

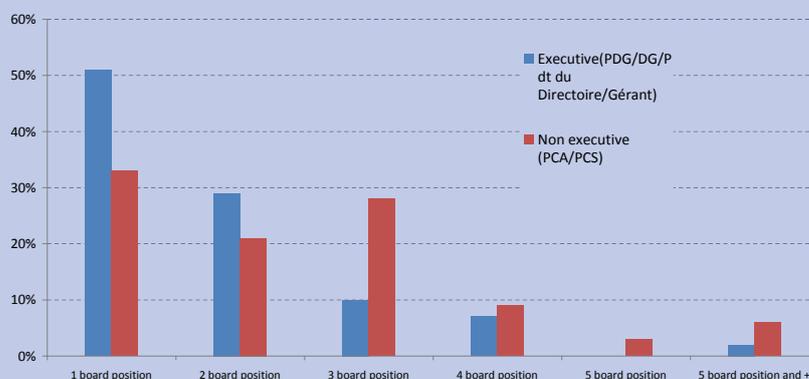
of SBF120 companies, whereas only 40% of the largest European companies and 20% of UK companies did the same. ³

Multiple appointments of directors

French law prohibits directors from holding more than 5 directorships in limited companies, with certain exceptions, particularly directorships held in companies in the same group. The Afep-Medef Code further tightens this restriction by stipulating that appointments in foreign listed companies should be taken into account.

Significant progress has been made by French listed companies. Indeed, in more than one company out of two, at least one executive director held only one directorship. In contrast, the rate was 40% in the preceding year, which according to the AMF was already an improvement. ⁴

The number of board positions held in French and foreign listed companies



Source : according to ⁴

Directors' code of conduct

With the exception of compatibility requirements for certain professions, there are no legally mandated criteria which must be met in order to be a director. The corporate governance codes, however, do set forth various eligibility criteria. The Afep-Medef Code contains a number of requirements for directors in the following areas: shareholding in the company, declaration of any conflicts of interest, attendance, and disclosure of personal information...⁵. The IFA has also published a Directors' Charter to which its members must subscribe, under which they must fulfil their duties with independence, integrity, loyalty and professionalism.⁹

In addition, the AFG proposes that directors should be concerned with the application of codes of conduct throughout the company. There is a growing awareness of directors' charters among French listed companies, reflecting the current trend at the European level. Notably, in 2011 92% of CAC40 companies had a code of conduct charter compared with only 67% in the preceding year.³

Half of all listed companies have specifically addressed the question of directors' obligations in relation to conflicts of interest, either in their internal regulations or in a separate document (generally a directors' charter).⁴

Directors' liability

Legally, directors are liable for all violations of the law or of regulations, violations of the articles of association and mismanagement in the fulfillment of their duties. This liability can be either individual or collective, depending on the nature of the misconduct. In addition, the Afep-Medef Code states that directors must consider themselves as the representatives of all the shareholders and act as such in

the fulfillment of their duties failing what their personal liability may be involved.⁵

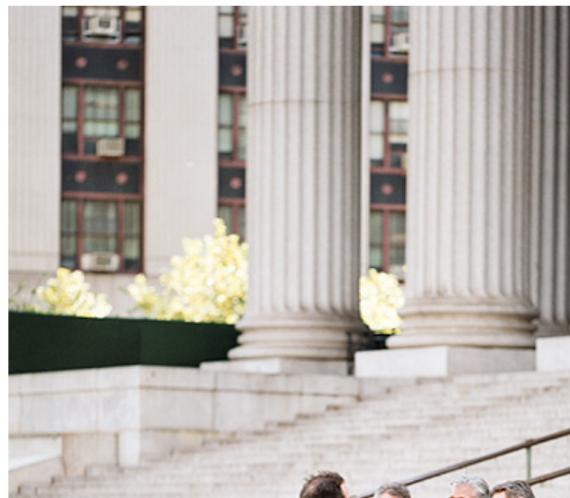
Liability results from precedents set by the Cour de cassation (Supreme Court). According to this court, every director is presumed liable for improper decisions, whether in the form of action or inaction. To avoid liability, a director should be able to demonstrate his/her responsiveness to the situation, meaning at least his/her express opposition to any improper decisions and, if required, his/her resignation.¹⁰

Directors insurance

Directors insurance is a result of the increasing tendency for lawsuits filed against corporate officers.

French listed companies subscribe to a policy known as RCMS (responsabilité civile des mandataires sociaux – civil liability of corporate officers) for amounts that vary in line with the company's risk profile.

Intentional improper actions and fines resulting from criminal acts are not covered by directors insurance.



1.4. Mission of the Board of Directors

The mission of the board varies according to whether the board is unitary (with a board of directors) or two-tier (with a management board and a supervisory board).

According to the law, the board of directors performs a double role:

- firstly, it supervises the actions of executive management by performing whatever controls or verifications it considers appropriate;
- in addition, it contributes to the development of general corporate strategy by determining the main outlines of the company's business activity; it addresses all topics it considers necessary in this context.

In other words, in line with OECD recommendations in the area ²⁰, in addition to its controlling role, a unitary board has very real power, shared with executive management, to decide the overall orientation of the company. Each year, it collectively takes responsibility by presenting the annual accounts and its activity report to the shareholders' general meeting.

In contrast, a supervisory board principally performs ongoing supervision of executive management as well as being a balancing power to the management board. Accordingly, a supervisory board cannot participate in management, does not prepare annual accounts, and limits itself to presenting its observations on the report and accounts prepared by the management board.

The chairman of the board, whether it is a unitary board of directors or a supervisory board, has specific powers. He organizes and directs the work of the board and presents a report on internal controls and management of risks procedures of the company. By law, only the chairman of the board is expressly required to ensure the proper functioning of the various management bodies and their capacity to perform their mission.

The board of directors' mission is subject to the sovereign power granted to the shareholders' general meeting, which approves the accounts and any changes to the articles of association and authorizes proposed increase and decrease in capital.

On this latter point, French law allows the shareholders to delegate their competence and power to enact changes in capital, to the extent they consider appropriate.



2 Functioning of the Board and its Committees

Corporate governance has made enormous progress in the area of board operations.

Together with effective regulation, the “comply or explain” principle has given companies a certain degree of flexibility in how corporate governance is implemented. This improvement in effective yet flexible governance is to a great extent due to the men and women who apply the principle. The role of corporate secretaries has therefore become essential. Directors carry out both self- and board evaluations and do not hesitate to obtain training in the more complex aspects of corporate governance. In addition, the appointment of specialist committees allows increasingly technical subjects to be addressed.

Performance

*IFA – Alain Martel & Clémence Decortiat
Presidents of the Performance Workshop*



2. 1. Principles of Operation, Internal Regulations, Organisation of Meetings

The law does not address the functioning of the board: there is no formal requirement to hold meetings, no requirement on the content or even the existence of internal regulations...

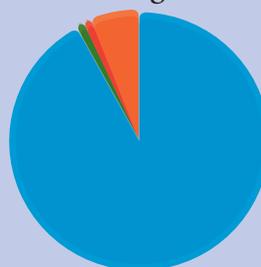
Thus, companies apply their own statutory requirements and the principles in various corporate governance codes (AFEP MEDEF, Middlednext) together with the best working practices among other French company boards. 100% of CAC40 companies and 97% of SBF120 companies

Therefore listed companies voluntarily subscribe to a corporate governance code, in particular as regards the composition and functioning of the board and its committees. Companies must highlight the terms of the code that have not been applied, with explanations provided in line with the principle of “comply or explain”. If a company does not subscribe to a corporate governance code, it must explain the reasons for not doing so.

Almost all French companies listed on the SBF120 index have adopted the Afep-Medef Code of corporate governance. 11

Governance principles in SBF 120 companies*

Source : according to 22



Afep-Medef	92
Afep-Medef et SOX	1
Code Middlednext	1
Cotations étrangères**	6

*On annual report basis available on web sites 07/01/2011

** including Dutch & Luxembourg principles

have formalized their internal approach to corporate governance in this way, achieving corporate governance that is in line with international standards.

- The average number of board meetings in CAC40 companies is 8.4 per year, very close to the European average.
- The directors' attendance rate of 90% is in line with international averages.
- All CAC40 companies report the number

of meetings per year and the attendance rate. A detailed presentation of the work of the board is presented by 81% of companies in the CAC40 and SBF120.

- The resources dedicated by companies to corporate governance are summarized in the table below. Companies listed on the CAC40 are in line with international best practices.

2.2. Evaluation of Board Performance

The board of directors internally debates and decides upon its methods of governance, particularly its scope of activity, organization, evaluation methods, internal regulation and the functioning of its committees. The board carries out an

annual evaluation of its own performance and its committees.

This evaluation generally focuses on the following four areas:

- the organization and powers of the board;
- the directors' working methods and information strategy;
- the organization of internal discussion and the specific actions taken by the board and the executive team;
- the composition of the board and its conformity with requirements regarding expertise and experience.

All CAC40 companies and 86% of SBF120 companies carry out such an evaluation, which is higher than the European average.

Self-evaluation is done in 84% of these companies. The results of this self-evaluation and the follow-up are reported to the shareholders by 70% of CAC40 companies.

In most of the larger companies, an in-depth evaluation is also carried out by a specialist firm at least once every three years.

Resources allocated to corporate governance by governance tool:

Source : extract from ³

	CAC40	SBF120
Internal board regulation	●	●
Risk assessment	●	●
Separate internal audit function	●	●
Board evaluation	●	●
Conduct	●	▲
Ethics charter	●	▲
Internal oversight manual	▲	■

● Adopted by > 80% of companies in the group
 ▲ Adopted by 40%- 80% of companies in the group
 ■ Adopted by < 40% of companies in the group



2.3. Relations with Executive Management

Companies are well aware of the importance of good relations between directors and executive management. New directors therefore go through an induction process, which includes site visits and meetings with executive management to help ensure constructive cooperation.

Moreover, there is a widespread practice of holding strategic seminars that include both members of the board and the

executive committee. Studies show ²¹ the importance of a degree of informality as a sign of mutual confidence between members of the board of directors and executive management.

In contrast, board strategic committees are becoming less widespread in view of the necessity to ensure the collegiality of strategic decisions.

2.4. Information for Board Members

Both directors and members of a supervisory board have a right of access to information. The chairman of the board and the CEO of the company have an obligation to spontaneously supply all documentation and information necessary, so that the directors can carry out their duties (article L. 225-35 of the Commercial Code).

All parties have a duty of confidentiality concerning the information that is made available to them for the purpose of fulfilling their duties (articles L. 225-37 and

L. 225-92 of the Commercial Code).

In this context, an increasing number of companies have gone “paperless”, using secure interactive platforms to provide the board with information. This can have the secondary effect of allowing for better integration of international directors. Certain companies even supply directors with tablet computers to provide user-friendly access to these systems.

2.5. Directors' Training

There are formal training structures for directors in France. In particular IFA, which founded the first certification program in France, proposes a training period that includes a substantial international segment.

The majority of CAC40 companies have director training programs ; 49% of them report on the subject. ³



2.6. Management of Conflicts of Interest

French companies have made enormous progress in the area of identifying and managing conflicts of interest ¹² ¹³, and it is now a common practice to adopt codes of conduct and ethics. Almost all CAC40 companies now do so (ref. Part 1 Balance) and the trend is accelerating among SBF120 companies as well.

At these companies, the effective management of conflict of interest risk includes measures to prevent them from occurring as well as the proper application of the regulated agreements procedures.

The AFG recommends that boards' internal regulations include organizational principles regarding the prevention and management of conflicts of interest. ²⁸

As can be seen from the AMF report ⁴: 88% of companies in the AMF sample had independent directors.

100% of companies indicated the presence or absence of independent directors.

49% of companies in the sample provided a specific training program on the obligations of directors in case of a conflict of interest.

2.7. Role of the Secretary of the Board

This function is not referred to in the applicable legislation, and is only cursorily referred to in the corporate codes of governance. However, it is important in practice.

Articles of association and internal regulations usually include that the board may nominate a secretary, who may if desired be a third party. This individual may also serve as the secretary of board committees.

The role of board secretary is essential for the proper functioning of the board. Consequently, the IFA has highlighted the function. It is considered essential for companies to organize their governance effectively, and the IFA believes this can be best achieved through this key individual.

In line with standard international practice, however, some French companies make more extensive use of the role of board secretary than others. ²

2.8. Committee

As the workload of the board of directors has expanded considerably in recent years, it has become common practice to nominate specialized committees. These committees allow certain directors to address topics in depth and then to report to the board as a whole. There is a legal requirement for listed companies to appoint an audit committee to oversee the preparation of financial information, the effectiveness of internal control procedures and risk management, and the legal verification of the accounts by the statutory auditor, as well as to make a recommendation on the

nomination of the statutory auditor. The board usually nominates other committees as well.

The work of board committees involves the development of certain essential documents necessary for the board to fully understand where the company stands on various key items.

These reports include:

- The chairman's report on risks (to be submitted to the shareholders) which is discussed by the audit committee. The audit committee is informed by the statutory auditor of any significant deficiency in internal

controls related to procedures used for the preparation and presentation of information on corporate finances and accounting;

- The report on stock options, which is prepared by the remuneration committee;
- Risk mapping documents, which are prepared either by the audit or risk committee;
- The annual financial statements and the annual report.

By appointing committees smaller than the full board, greater efficiency is achieved. Committees can more easily access both internal and external expert resources and thereby improve the preparatory phase of

the board's work.

The size of the typical board, currently 12.7 members in France, is in line with the European average. This and its diversity are key factors contributing to its effectiveness (see section 1.3.).

Diversity in terms of gender, background or experience (see section 1.2.) allows for the formation of board committees that supply real expertise in a wide variety of areas beyond the financial domain.

2.9. Operation of Committees

The use of increasingly separate audit, remuneration and nomination committees is very prevalent among the CAC40 companies, and is becoming more common among the SBF120 as well, placing France above the European average on this metric. Audit committee: ②

100% of CAC40 and 96% of SBF120 companies have an audit committee
This is in line with the European average (98%)

Remuneration committee: ②

100% of CAC40 and 93% of SBF120 companies have a remuneration committee
This is above the European average (91%)

Nominations committee: ②

97% of CAC40 and 84% of SBF120 companies have a nominations committee

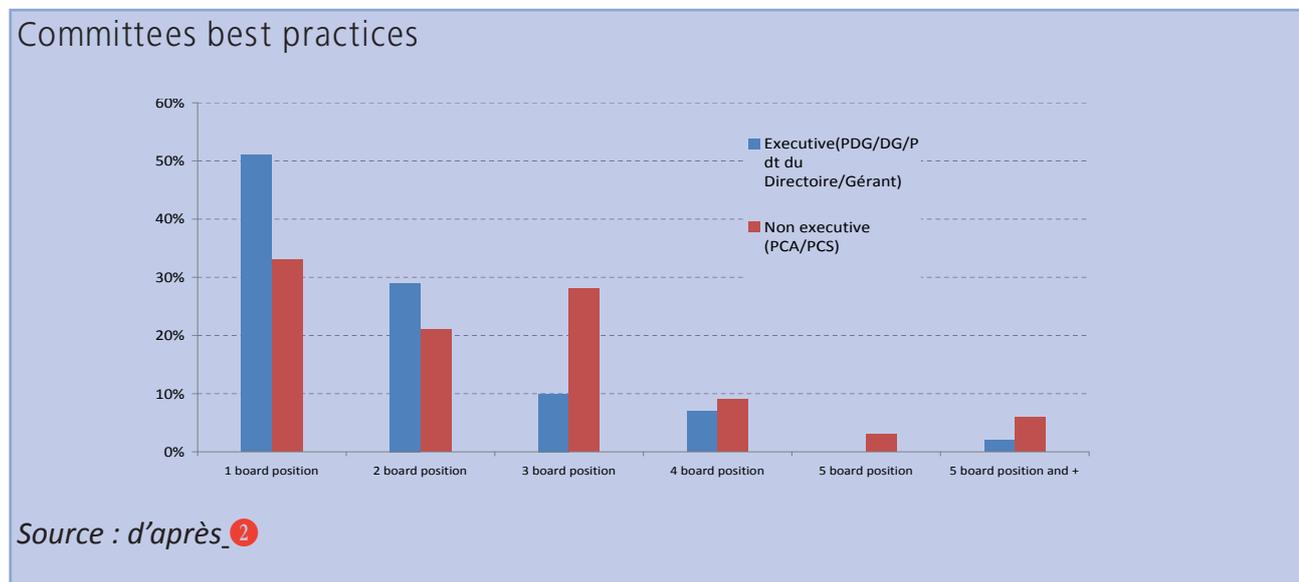
This is above the European average (71%)

The following other board committees are of note:

Characteristically French : the presence of a strategy committee in half of CAC40 companies. ②

The increase in prevalence of the ethics and/or governance committee: 25% of CAC40 companies now include one. ②

A risk committee in addition to the audit committee: 14% of CAC40 companies have a separate risk committee. ②



3 Communication – Shareholders Stakeholders – Corporate Social Responsibility (CSR)

Paris is the principal entry point to the Euro markets which are currently representing 20% of central bank reserves, 50% of the international bond market, and more than 45% of worldwide asset management. It is also an open, transparent and secure market, with a large number of international investors.

International investors hold 40% of the market capitalization of CAC40 companies, representing €800 billion as of the end of April 2012. This is a clear sign of the attractiveness of the market, with the large French industrial companies having an average of 40% of their sales outside France. Corporate governance plays a key role in this and constitutes a link between issuing companies, the marketplace and both domestic and international investors.

Transparency



*Paris Europlace – Carole d'Armaillé
President of the "Transparency" workshop*

In the early 2000s, the Paris marketplace undertook the development of corporate governance principles to better identify the expectations of institutional shareholders and investors, particularly foreign ones. The aim was to share information and to increase cooperation between market professionals as well as to contribute to marketplace works in this field.

In recent years, shareholders' general meetings have addressed a new, wider range of subjects, including financial strategy, environmental and social responsibility, corporate governance, remuneration, risk management, and other topics. It has strengthened the role of the shareholders.

At the same time, there has been considerable progress in terms of quality and accessibility of information, such as the opportunity for shareholders to express their views and to ask questions.

All the listed companies in the Paris marketplace are subject to the same obligations toward their shareholders and stakeholders, whether they are structured as a limited company or a limited partnership.

The Paris marketplace is committed to promoting Responsible Investment. The largest professional associations signed the charter ²⁴ in 2008.

3. 1. Shareholders – General Meeting

The annual general meeting (AGM) is where both ordinary and extraordinary decisions concerning the company are decided by shareholder vote. Ordinary decisions include items such as approval of the accounts and nomination of the board; extraordinary decisions include capital increases, the allocation of stock options, etc.)

Before the shareholders' general meeting

Shareholders' right to information

"Reference document" ("annual report")

Every year publicly listed companies publish a reference document that includes all of the financial and extra-financial information relating to the company. So that shareholders can have access to information on the company before the AGM, the reference document is published 21 days before the meeting on both the AMF's and the company's websites. In 2011 compared with 2010, the average publication date increased from 39 days to 43 days before the AGM. Almost all the SBF120 companies also publish a version of their reference document in English on their websites.

Convocation

Notices of AGMs are published on a central site, the BALO¹, not less than 21 days before the date of the event (the prescribed period). They include all the practical information concerning the holding of the AGM, the resolutions on which the shareholders will vote and how shareholders may exercise their right to vote. Notice of the meeting is also sent directly to the addresses of nominally registered shareholders².

1 Bulletin des Annonces Légales Obligatoires
2 Registered shareholdings : the shares are deposited with the issuer and recorded in the company share register.

Communication rights

Every shareholder has the right to obtain the following information before the AGM : the annual accounts; the list of members of the board of directors or supervisory board (whichever applies); the consolidated accounts; the reports of the board of directors (or the management board) and of the supervisory board(if any), the report of the chairman on governance and internal controls and the report of the statutory auditor that is to be submitted to the AGM; the text and reasons for proposed resolutions as well as information regarding candidates for the board of directors; and finally, the total amount of remuneration paid to the most highly compensated individuals certified by the statutory auditor.

AGM timetables

AGM timetables are available on the NYSE Euronext website.

Provision of information before the AGM

Company websites provide investors with increasingly detailed information: a site dedicated to the AGM including all of the information necessary before the holding of the AGM (meeting notice³, final meeting notice including the final text of resolutions to be voted upon, the various voting methods, the form for voting by post, etc).

Shareholders' right of expression

Submitting a written question

Shareholders, even those holding a single share, have the right to submit a written question to the board of directors before the AGM. A written question is deemed to have been answered when it is listed on the company's website in a section dedicated to questions and answers ¹¹ ¹⁴.

3 In 2011 for large caps, the period between meeting notice and date of AGM was 50.8 days, far beyond the minimum of 35 days required by domestic or European law

Benchmarks

General meetings – Rights of the individual shareholder

Right	Conditions	Source ¹¹
Right of advance notice :		
- Available of information upon request, via a certain number of documents	Documents and information specified by law. Clarification of shareholder status.	art.R225-81 et R225-83 of the commercial code (code de commerce)
- Available in documents that the company must make available for inspection at its offices of record	From the date of the meeting notice and for at least 15 days before the meeting	art. R225-83 et R225-89 of the commercial code (code de commerce)
<ul style="list-style-type: none"> * Right to employ expert assistance * Possibility of being accompanied by a bailiff (Huissier) * Copying of documents permitted 		
- Online consultation of documents that the company is obliged to post on its website	Listed company Without interruption, beginning no later than 21 days before the general meeting (15 days if there is a public bid in progress - OPA)	art. R210-120 et R225-73-1
- Right to submit written questions		
Ongoing communication rights		
	Documents from the last 3 accounting periods (annual accounts, audit committee reports, etc.)	art. L225-117 and L225-115 of the law number 2011-525 dated 17/5/2011
<ul style="list-style-type: none"> • Right to employ expert assistance • Copying permitted 	This right may be exercised at the offices of record or the place where administrative management is exercised	art. R225-92 al 1 of the commercial code (code de commerce)
Right to assistance at the general meeting		
	For holders of capital shares, reimbursed nominal shares, worker/employee class shareholdings or residual ownership shares	art. L 228-29 et R 228-26, L 225-198 al.2 et L 225-199, art. L 225-263, of the commercial code (code de commerce) and Cass. (High Court) Com 4-1-1994
Right to vote		
	Holders of capital shares – all meetings; lifetime shareholders - ordinary general meetings; potential owners (after lifetime shareholders)- extraordinary general meetings	art. L 225-198 al.2 et L 225-199, art. L 225-110 al.1 of the commercial code (code de commerce)

General meetings – Rights by holding thresholds

Right	Conditions	Source ¹¹	Holding Threshold
Notice of general meeting	Listed company	art L.225-103 II of the commercial code (code de commerce)	> 50%
	Only after a public bid or the disposal of a controlling interest		
Registration of resolutions	If the capital is <= €750 000	art L.225-105 al.2 of the commercial code (code de commerce)	5%
	If the capital is > €750 000		
	- up to €750 000		4%
	- between €750 000 and €7 500 000		2,5%
	- between €7 500 000 and €15 000 000		1%
	- over €15 000 000		0,5%

Right to submit agenda points and propose resolutions (see the summary table in the section “Voting rights and participation”).

Shareholders holding at least 5% of the capital may

- add points to the agenda ¹¹. This innovative measure is an additional tool in the hands of shareholders to open debate on subjects of serious concern to them at the AGM. ¹⁴

- propose one or more new resolutions ¹¹. Note that the size of shareholding necessary to add a point to the agenda or a resolution is lower if the overall capitalization of the company is greater than €750,000.

The threshold for companies with a capitalization of greater than €15 million (i.e., CAC40 and SBF120 companies) is 0,5% of capital.

Dialogue

Dialogue is facilitated in SBF120 companies that have dedicated shareholder and investor communication department.

Shareholders' voting and participation rights

Shareholder rights during the AGM

Right to participate and vote at the AGM

The participation and voting rights at the AGM are summarized in the following table.

Right to submit an oral question

Every shareholder, even those holding a single share, has the right to put an oral question to the directors during the AGM.

Right to vote on detailed agenda points

During the AGM the shareholders vote on all of the resolutions listed in the agenda. Certain points are extremely detailed: "regulated agreements"⁴, contributions, mergers, disposals, various authorizations for capital increases, authorizations for distribution of stock options, etc.

Right to vote on the remuneration of executive directors

The AGM must approve any regulated agreements concerning severance indemnities and pension supplements. It should be kept in mind that the AGM decides the global budget of directors' attendance fees (“jetons de présence”).

Discussions are at an advanced stage regarding the eventual application of an advisory « Say on Pay » shareholders' vote in France.

Double voting rights

Companies may include in their articles of association the right to a double vote for registered shareholders who hold shares for at least two years in their name. The articles of association may also provide for a longer holding period before double voting rights apply. The purpose of such rules is to encourage long-term shareholding. ¹¹

Custody of title deeds

Shares may be held directly by the issuer in a nominative form, with the holdings being listed in the register of the listed company, or by a third party account holder in bearer format (« au porteur »). Another method is to administer the title deeds registered by the issuer using an intermediary. This is known as “nominal administration” (« nominatif administré »). In all cases a sales order may be executed very rapidly. If their holding is registered in his name, an investor can be sure of obtaining all the appropriate information from the issuer both in advance of the general meeting. Information is also available to him after the general meeting, at least in terms of monitoring whether his vote has been counted.

4 In particular, agreements made between the company and its shareholders or directors.

Date of title registration

No certification of shareholding is necessary in order to participate in the AGM; only the record date determines the shareholder's voting rights. This is fixed at midnight in Paris on the third working day before the AGM.

Voting procedures for non-resident shareholders

Legislative reform dated December 2010 has greatly simplified the procedures for non-resident shareholders, in particular allowing for:

- nomination of proxies by electronics means;
- cancellation of a proxy already granted;
- nomination of any individual, including a non-shareholder, as proxy.

Electronic voting

Electronic voting has been available for a while and practiced for the first time via "vote access" in 2012 at the AGM of some CAC40 companies

Broadcasting the AGM

The broadcast of the AGM is more and more frequently available live on company websites. It remains available for a few weeks after the AGM.

Post AGM information

Companies listed in France are required by law to publish the results of votes at their AGMs on their websites within 15 days of the date of the AGM.

Investors are supplied with increasingly complete information following the holding of the AGM. This is achieved via special dedicated sites that present specific information such as the results of votes on resolutions or presentations made during the AGM.

3.2. Specific Rights of Minority Shareholders

Public bids

The rights of minority shareholders are protected when there is a public bid. A bid is mandatory if the threshold of a 30% shareholding is exceeded. The price offered must be at least equal to the highest price paid by the bidder in the previous 12 months. French law relating to public bids requires that the bidder present details justifying his offer, which is not the case in all European countries.

There is also a provision protecting minority shareholders in case of rumors: the AMF may request any person whom it has "reasonable grounds" to believe is preparing a bid to declare his intentions and where appropriate to submit an offer. A statement that is reviewed by the AMF

is then published. If the person claims that he does not wish to make a bid, he is forbidden from doing so in the following six months.

Mandatory sales

French law is protective of minority shareholders in the case of forced sales as well. Minority shareholders may receive a payment under the terms of a public bid imposed by the controlling shareholder, if it is approved by the AMF and under certain circumstances, in particular where a decision by the majority shareholder affects the company in a fundamental way or where he holds more than 95% of the voting rights.

Use of an independent expert

In order to guarantee the equitable treatment of shareholders, the general regulations of the AMF provide for the appointment of an independent expert in cases where there is a risk of conflicts of interest within the board that could adversely affect the objectivity of its decisions, or compromise the equal treatment of the shareholders.

In the case of forced sales noted above, the appointment of an independent expert is also required.

Finally, an independent expert is required in the case of an increase in reserve capital at a discount to the market price, if this discount exceeds the maximum discount allowed in the case of a capital increase without preferential subscription rights and if it gives one shareholder control of the issuer.

The qualification of the independent expert, as well as the terms and conditions under which he carries out his mission, are strictly controlled by the AMF.

This practice is quite similar to the Anglo-Saxon approach, the “fairness opinion” being an essential report upon which the directors base their opinion for presentation to the shareholders. The expert must be totally independent: he is nominated by the board of directors of the target company and a committee of independent directors, who are charged with overseeing his intervention.

Today, a consensus has developed that considers the principle of fairness to be an indispensable tool for good corporate governance. The introduction of strict regulations, and of instructions and recommendations on the part of the AMF,

as well as the risk of costly legal action on the part of aggrieved shareholders has led to greater transparency in the generation of the financial data used for public bids.

It should be noted that minority shareholders may present their arguments for or against a public bid either directly to the company or to the independent expert.

Right of waiver

Moreover, French law protects the rights of minority shareholders by ensuring the completion of public bids that have been made. In effect, more restrictive conditions than are generally in place in Europe are placed on bidders who wish to withdraw or renounce their offer (high renunciation thresholds, no MAC clause, etc.).

Right of appeal

Only one share is needed to be able to file an appeal before the Paris appeals court on a conformity decision of the AMF. In certain countries a larger shareholding is frequently required.

The AMF will shortly apply this entire set of regulations to public bids on Alternext, so that shareholders of companies listed on this exchange will be able to benefit from the same protections as those who hold shares in the regulated market. The main difference will be that a higher trigger level will be required for a bid on Alternext companies, and the fact that “OPR 236-5 and 236-6” do not apply to Alternext.



3.3. French Corporate Communication with Shareholders and Investors

Financial communication

According to the Afep-Medef code ⁵, every company must have a very strict policy for communications with sell-side analysts and the market. The normal method of communication must put the same information at the disposal of everyone at the same time. Large French caps provide all year long financial information (under various relevant formats: press releases, road show, website...) allowing analysts and investors to understand their business and value them fairly.

Companies regularly communicate on internal audits and risk management. The information communicated by companies details the allocation of net earnings in line with the growth strategy; the reasons for resolutions are clearly and thoroughly explained. The guide to financial communication published by CLIFF (the Association Française des « Investor Relations ») ²⁵ outlines what constitutes good transparency practices and equal treatment of shareholders. The CLIFF guide is also available in English.

Finally, shareholders and investors can access the ratings published by the various financial rating agencies.

Companies publishing consolidated accounts nominate two statutory auditors, who are charged with certifying ¹¹ both the company and the consolidated accounts. One of the tasks of the statutory auditors is to ensure that the shareholders have been treated equally. They are nominated by the shareholders' general meeting and are convened to all its meetings.

The French system of external audits is highly professional compared with those in many other countries.

Communication on governance

SBF120 companies make a special effort to provide transparent communication on governance and particularly on:

- The activity report of the board: frequency of meetings, attendance, etc.

- Remuneration of directors: certain components of the remuneration of corporate officers as well as directors' attendance fees are subject to a vote at the shareholders' general meeting. This includes additional pension arrangements, severance indemnity, allocation of stock options, etc. A detailed report on the remuneration of corporate officers is provided by French companies in their annual reference documents.

- Directors' profiles

Statistical data is published on these matters on an annual basis by various organizations and institutions and is summarized by the AMF. Companies may compare their own data with this standard.

CAC40 companies centralize information and present it in summary tables. Such information may include options exercised or shares allocated on the basis of performance; bans on managers using hedging instruments on allocated shares; and more particularly for companies that have adopted the AFEP/MEDEF Code, the extension of supplementary defined-benefit pension schemes to groups other than the corporate officers. ⁴

Non-financial and CSR communication

France plays a leading role within the European Union in the area of CSR (Corporate Social Responsibility).

Under French law, ¹¹ listed companies and corporations that meet certain other criteria must report certain “ESG” (Environment, Social, Governance) information L (lois NRE, Grenelle I et II; Décret d’application n°2012-557 of 24 April 2012, which requires corporate transparency on social and environmental matters).

These data are reviewed by an independent third party.

As of 1 January 2012, companies are required to publish data on their accounting for social, environmental and quality of governance criteria in their directors’ report, to the extent that it affects their investment policy. ¹¹

Non-financial information in the reference document

The majority of CAC40 and SBF120 companies present information on CSR in their reference documents. This typically takes the form of a special annex or annual report on sustainable development, with additional information published on the website. To an increasing extent, these documents include objectives and indicators; they are usually prepared within the framework of the GRI (Global Reporting Initiative).

These non-financial data are rated for the issuers by specialized agencies (Vigeo, Core Ratings, MSCI ESG Research, etc) and are reviewed and certified for investors (Novethic).

Different presentation styles at general meetings

The theme of sustainable development and CSR is generally associated with strategic presentations. An increasing number of CAC40 companies are reporting non-financial indicators and objectives ¹⁸.

For example, a quarter of CAC40 companies address environmental and social responsibility as part of their annual earnings presentations. ¹⁹

Portfolio management companies are increasingly including ESG criteria in their voting policies at general meetings. This is at their own initiative. ¹⁴

Shareholders’ questions on ESG subject accounted for 10% of the total in 2011. ¹⁸

Towards an integrated reporting format?

At the IIRC (International Integrated Reporting Council), work is underway. The objective is to create a reporting framework gathering together material information not only on financial matters but also on organization’s strategy, governance, social and environmental performance and prospects; in a way that reflects their interdependence. However, integrated reporting practice remains limited.



CSR and SRI in France

French companies have various approaches to CSR and SRI (Corporate Social Responsibility and Socially Responsible Investment):

- UN Global Compact - Signatory companies agree to respect 10 CSR principles. An increasing number of French companies commit themselves to the Global Compact every year: currently the number stands at 783 French companies out of a total of 10 059 (for comparison, in the USA the number is 459, in Germany 250, and in the UK 234).

- Many CAC 40 companies are listed in the three main specialist market indices (FTSE 4 Good, Corporate Knights Global 100 Index, ASPI Eurozone, DJSI and Ethibel) ²⁶. Of these 40 companies, 7 are listed in all three indices, while four are not included in any.

Sustainable finance (finance durable), and more specifically CSR and SRI, is one of the five strategic areas in which the Paris market is very active.

Since 2009 Paris marketplace has been committed to the "Responsible Investment" Charter¹, which includes three objectives:

* Develop SRI

* Develop corporate non-financial information and promote dialogue between issuers and investors (non-financial reporting / regular communication of information from the board of directors and the general meeting)

* Promote long-term finance (develop long-term savings/adapt accounting standards/improve the long-term aspects of remuneration for market professionals).

The signatories to the Charter have initiated a number of actions with a view to developing Responsible Investment:

* The FFSA (French Federation of Insurance Companies) has also set up a sustainable development charter for insurance companies.

* The AFG has demonstrated the deep commitment of asset managers to achieving these objectives through the European code of transparency for SRI funds open to public subscription. This code was developed in collaboration with the FIR (Forum for Responsible

3.4. French Companies' Interaction with Shareholders, Investors and Other Stakeholders Outside The General Meeting

For an increasing number of investors in France, voting policy is an opportunity to initiate discussions with companies ahead of the general meeting, possibly by informing them in advance of the investor's voting intentions.

In accordance with article 314-100 of the general regulations of the AMF, portfolio management companies must prepare a "voting policy" document that may be accessed at their head office or on their website. If considered appropriate, the portfolio management company may include ESG criteria in this document. ¹⁴

This use of voting rights is gaining more and more attention. Institutional investors, companies, portfolio managers and proxy advisors increasingly contact each other regarding voting policy and exchange information during the year as well as just prior to the preparation for the general meeting. ¹⁴

More generally, it has been observed that contact between companies, investors and interested parties in public organizations increases both before and after the general meeting.

1 AF2I, AFG, FBF, FFSA, FIR, MEDEF, Paris Europlace, ORSE, SFAF...

Outlook

This guidebook shows the steady progress made in the application of best practices among the larger listed companies, and this trend is expected to continue. Special consideration has been given to the issues of non-resident shareholders ¹. Information and transparency well ahead of general meetings, explanations of proposals subject to a vote, and practical matters related to electronic voting have received particular attention.

The progress achieved so far has already brought French corporate governance to the level of international standards. It now continues to raise the quality of French governance practices, including for example the appointment of lead directors and the reinforcement of the role of independent directors, particularly by appointing them as committee chairmen.

This improvement is increasingly extending to “mid-cap” and medium-sized companies. The trend is furthered by various market institutions⁵ dedicated to companies of this size.

The current development of corporate governance in France reflects the strong adaptive ability of the country’s industrial and business network, which is functioning more and more as an ecosystem incorporating large, medium and small businesses. ²⁸

⁵ AMF, Euronext, IFA Commission ETI-PME, Middlednext, ASMEP ETI ...

Names of the Members of the Working Group by Organization

Organization	Name	Function in the organization	Role in the project
Académie des Sciences et Techniques Comptables et Financières www.lacademie.info	William NAHUM	Director of the Services Division - Industry - Distribution – High Technology	
	Jean-Louis MULLENBACH	Director of Legislative and Legal Policy Division	
	Serge YABLONSKY	Lawyer – Head of research	
AFG www.afg.asso.fr	Valentine BONNET	Chairman	
AMF www.amf-france.org	Florence PRIOURET	Chairman of the legal commission	
CCIP www.ccip.fr	Anne OUTIN-ADAM	Vice-Chairman of the legal commission	 
	Edmond SCHLUMBERGER	Head Assistant of legal services	
CNCC www.cncc.fr	Claude CAZES	Chairman	
	Francine BOBET	Chairman of the legal commission	 
	Patrice DANG	Vice-Chairman of the legal commission	
	Sabine ROLLAND	Head Assistant of legal services	 
CSOEC www.experts-comptables.fr	Agnès BRICARD	Chairman	
	Joëlle LASRY	Chairman of the professional standards committee of the CSOEC	 
	Romain GIRAC	Project Manager	
DFCG www.dfcg.com	Guillaume LEBEAU	Chairman of the governance commission	
	Damien GOY	Member of the scientific committee	
ecoDa www.ecoda.org	Béatrice RICHEZ-BAUM	Secretary General	
ESSEC www.essec.fr	Patricia CHARLETY	Professor	

Organization	Name	Function in the organization	Role in the project
IFA www.ifa-asso.com	Daniel LEBEGUE	Chairman	
	Alain MARTEL	Secretary General	 
	Clémence DECORTIAT	Head of Communications	 
IFA Commission Internationale www.ifa-asso.com	Marie-Ange ANDRIEUX	Chairman	
	Annabel BISMUTH	Vice-Chairman	
	Philippe DECLEIRE	Vice-Chairman	
	Elisabeth-Anne BERTIN	Member	
	Anne BINDER	Member	
	Véronique BRUNEAU BAYARD	Member	
	Marie-Hélène KENNEDY	Member	
	Hélène PLOIX	Member	
	Guylaine SAUCIER	Member	
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	François HOUSSIN	Head of Client Coverage, France European Listing Group	
OCDE www.oecd.org	Mathilde MESNARD	Advisor to the Secretary General	
	Alissa AMICO	Project Manager	
ORSE www.orse.org	Michel LAVIALE	Chairman of the Finance Group	
	Patricia LAVAUD	Head of the Finance & Assurance Group	
Paris Europlace www.paris-europlace.net	Carole d'ARMAILLE	Director of Communications and Investor Relations	 
	Anne-Claire ROUX	Project Manager – Sustainable Finance	
Paris Ile-de-France Capitale Economique www.greater-paris-investment-agency.com	Pierre SIMON	Chairman	
	Chiara CORAZZA	Director General	 
SFAF www.sfaf.com	Alban EYSSETTE	Chairman of the Goodwill Commission	



Comité de Pilotage



Atelier N°1 : équilibre



Atelier N°2 : performance



Atelier N°3 : Transparence

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- ㉕ AMF, Groupe de travail de place sur les assemblées générales (AMF - Working group on general meetings).
- ㉖ AFG, Recommandations sur le gouvernement d'entreprise (AFG, Recommendations on corporate governance)

Crédits : Banques d'images IFA, Paris Capitale Economique, CCIP et Paris Ile de France Capitale Economique
Conception - Réalisation IFA -CD - juin 2012

Listed companies in France

SBF 120, CAC 40 and CAC Next20 indexes.

ACCOR SA	CAC40		CNP ASSURANCES		
AÉROPORTS DE PARIS			CRÉDIT AGRICOLE SA	CAC40	
AIR FRANCE-KLM			DANONE SA	CAC40	
AIR LIQUIDE SA	CAC40		DASSAULT SYSTEMES SA		CAC Next20
ALCATEL-LUCENT/FRANCE	CAC40		DERICHEBOURG SA		
ALSTOM SA	CAC40		DEXIA SA		
ALTEN LTD			EADS	CAC40	
ALTRAN TECHNOLOGIES SA			EDENRED		CAC Next20
APERAM			EIFFAGE SA		
ARCELORMITTAL	CAC40		ÉLECTRICITÉ DE FRANCE SA	CAC40	
AREVA SA			ERAMET		
ARKEMA SA		CAC Next20	ESSILOR INTERNATIONAL SA	CAC40	
ATOS			ÉTABLISSEMENTS MAUREL ET PROM		
AXA SA	CAC40		EULER HERMÈS SA		
BIOMERIEUX			EURAZEO		
BNP PARIBAS SA	CAC40		EUROFINS SCIENTIFIC		
BOLLORE SA			EUTELSAT COMMUNICATIONS SA		CAC Next20
BOURBON SA			FAIVELEY TRANSPORT		
BOUYGUES SA	CAC40		FAURECIA		
BULL			FONCIÈRE DES RÉGIONS		
BUREAU VERITAS SA		CAC Next20	FRANCE TELECOM SA	CAC40	
CAP GEMINI SA	CAC40		GDF SUEZ	CAC40	
CARREFOUR SA	CAC40		GECINA SA		
CASINO GUICHARD PERRACHON SA		CAC Next20	GEMALTO NV		CAC Next20
CFAO SA			GROUPE EUROTUNNEL SA		CAC Next20
CIE DE ST-GOBAIN	CAC40		GROUPE STERIA SCA		
CIE GÉNÉRALE DE GÉOPHYSIQUE - VERITAS			HAVAS SA		
CIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN	CAC40		HERMÈS INTERNATIONAL		CAC Next20
CIMENTS FRANÇAIS SA			ICADE		
CLUB MÉDITERRANÉE			ILIAD SA		
			IMERYS SA		

INGENICO		
IPSEN SA		
IPSOS		
JCDECAUX SA		
KLEPIERRE		
L'ORÉAL SA	CAC40	
LAFARGE SA	CAC40	
LAGARDÈRE SCA		CAC Next20
LEGRAND SA		
LVMH MOET HENNESSY LOUIS VUITTON SA	CAC40	
MERCIALYS SA		
MÉTROPOLE TÉLÉVISION SA		
NATIXIS		CAC Next20
NEOPOST SA		
NEXANS SA		
NEXITY SA		
ORPEA		
PAGESJAUNES GROUPE		
PERNOD-RICARD SA	CAC40	
PEUGEOT SA	CAC40	
PLASTIC OMNIUM SA		
PPR	CAC40	
PUBLICIS GROUPE SA	CAC40	
REMY COINTREAU SA		
RENAULT SA	CAC40	
REXEL SA		
RUBIS		
SA DES CIMENTS VICAT		
SAFRAN SA	CAC40	
SAFT GROUPE SA		
SANOFI	CAC40	
SCHNEIDER ELECTRIC SA	CAC40	

SCOR SE		CAC Next20
SEB SA		
SES SA		CAC Next20
SILIC		
SOCIÉTÉ BIC SA		
SOCIÉTÉ GÉNÉRALE SA	CAC40	
SOCIÉTÉ TÉLÉVISION FRANÇAISE 1		
SODEXO		CAC Next20
SOITEC		
SOLVAY SA		CAC Next20
STMICROELECTRONICS NV	CAC40	
SUEZ ENVIRONNEMENT CO		CAC Next20
TECHNICOLOR SA		
TECHNIP SA	CAC40	
TELEPERFORMANCE SA		
THALES SA		CAC Next20
TOTAL SA	CAC40	
UBISOFT ENTERTAINMENT		
UNIBAIL-RODAMCO SE	CAC40	
VALEO SA		CAC Next20
VALLOUREC SA	CAC40	
VEOLIA ENVIRONNEMENT SA	CAC40	
VINCI SA	CAC40	
VIRBAC SA		
VIVENDI SA	CAC40	
WENDEL SA		CAC Next20
ZODIAC AEROSPACE		



Greater Paris Investment Agency



ASSOCIATION NATIONALE
DES DIRECTEURS FINANCIERS
ET DE CONTRÔLE DE GESTION

