
STRENGTHENING OF ALLEN'S GOVERNANCE

Greater independence for the Board of Directors: proposal to nominate a new independent director and to reduce the number of executive directors

Alten's Board of Directors wishes to strengthen its independence and to increase the proportion of independent directors to around 50%. Consequently, it has decided to recommend that the General Meeting of Shareholders to be held on 22 June 2017, appoint Alliette MARDYX as independent director to replace an executive director.

As part of this process of increasing the proportion of independent directors to 50%, Bruno BENOLIEL has offered the Board his resignation as an executive director. In view of Mr. BENOLIEL's responsibilities as head of Finance, Legal Affairs and Information Systems, he will continue to participate in Board meetings.

Ms. MARDYX is a graduate of ESCP Europe and also holds a postgraduate degree in Finance and Organizational Performance from Université Paris-Dauphine. After 35 years spent working for Airbus Group, she has extensive international financial management experience. She has held successive operating and functional positions in various different Airbus entities (Director of Management Control / Operational Head of Management Control). In particular, in November 2008, she initiated the project to integrate Airbus' accounting services into a Shared Service covering the Group's four key countries (France, Germany, the UK and Spain). At the end of 2016, Ms. MARDYX no longer held any position within the Airbus Group.

Alten's Board of Directors considers that Ms. MARDYX qualifies as an independent director in accordance with the criteria of the MiddleNext Corporate Governance Code which Alten uses as its guideline.

The appointment of Ms. MARDYX will increase the number of independent directors to four, out of a total of nine directors (not including the director representing employees), i.e., a proportion of independent directors of 44%.

Establishment of an Audit Committee

The Board of Directors has decided to establish an Audit Committee, separate from the Board, effective once Ms. MARDYX has been appointed as a director.

The Audit Committee will be tasked with assisting the Board in relation to examining and approving the annual and interim financial statements, and with all issues relating to all operations or events that may have a material impact on the position of Alten or its subsidiaries in terms of commitment and/or risk.

More specifically, it will be tasked with:

- monitoring the financial reporting process,
- monitoring the effectiveness of internal control and risk management systems,
- monitoring the Statutory Auditor's audit engagement,
- approving any non-audit services to be provided by the Statutory Auditors or the members of their network,
- reporting on the findings of the attest process (certification of the accounts) and how this mission has enhanced the integrity of financial reporting and the role that the Committee has played in this process.

The Committee will have two members. The Board of Directors intends that its first two members should be Alliette MARDYX and Philippe TRIBAUDEAU, both independent directors with solid financial expertise. Ms. MARDYX will be appointed Chairman of the Committee.

Establishment of a Remuneration and Nomination Committee

The Board of Directors has established a Remuneration and Nomination Committee.

This Committee will assist the Board on all matters relating to remuneration and nomination, notably in the following areas:

- the remuneration of senior executives, the members of the Executive Committee and the main directors,
- stock-options or employee share awards,
- career management,
- vetting candidates and individual management nomination,
- the composition of the Board of Directors and its committees,
- executive succession planning.

The first members of the Remuneration and Nomination Committee will be:

- **Ms. Evelyne FELDMAN, Committee Chairman, Independent director of Alten:**

Ms. FELDMAN began her career in a Human Resources consulting firm before becoming HR Director of one of France's largest retailers. She then set up her own HR consulting firm, specialized in providing recruitment and training services for clients from a broad range of different sectors. Since 2006, she has been providing consultancy and support services to engineering and consulting firms in the scientific domain within *Pôle emploi* (the French governmental agency which registers unemployed people).

- **Ms. Emily AZOULAY, Committee member, Director of Alten:**

Ms. AZOULAY has worked in various different positions in the Alten Group since it was set up in 1988, notably as Head of Sales Management and Head of Administration and Finance. She held her last position in 2007.