

Rules of procedure of the board of directors of Geodis

Introduction

The Board of Directors of GEODIS respects most of the rules generally recommended in France in the field of Corporate Governance, taking account, however, of the specific situation of the Company, which was the subject of a privatization decree in August 1996 but which is still controlled by SNCF Participations according to the terms of article L 233-16 of the French commercial code.

The conditions governing its organization and functioning are defined in these rules of procedure.

Article 1: Competence

The Board deliberates and makes decisions on a collegial basis on any questions falling within its legal or statutory remit.

Within this framework, the Board:

- a) duly examines and approves the main strategic, economic, and financial orientations of the activity of the Geodis group and supervises their implementation;
- b) examines and formulates a statement on the annual budget (the year's consolidated operation, investment and funding) and on the three-year plan of the Geodis group;
- c) is informed at least once a quarter about the cash position and indebtedness of GEODIS;
- d) deliberates prior to any transactions, such as acquisitions and transfers, which are liable to significantly affect the Group's earnings or the structure of its balance-sheet (types of operations prior to which the Board deliberates and those of which it is simply informed are specified in the annex);
- e) deliberates prior to modifications to the structure of the Group's General Management and chooses between the two General Management modes permitted by law; it is informed of the main modifications to the Group's organization and Management;
- f) and, more generally, deals with any questions relating to the proper functioning of the Company.

In addition, the Board carries out the tasks listed below:

- Convening of General Meetings;
- Proposals to amend the Articles of Association;
- Drawing up of corporate and consolidated accounts and of the management report;
- Drawing up of estimated management documents;
- Authorization of conventions governed by article L 225-38 (formerly article 101) of the French commercial code, and of guarantees and pledges;
- Co-opting of Directors;
- Appointment of members of Special Committees;
- Distribution of directors' fees.

Article 2: Meetings / Deliberations

The Board holds at least four meetings per year, two of which are dedicated to examining the annual and half-year accounts. In accordance with the Articles of Association, the decisions of the Board are voted by a majority of the Directors present and represented. In the event of a tie, the session Chairman has the casting vote.

However, when the Board of Directors chooses Statutory Auditors to stand for election by the General Meeting of shareholders, the President & Chief Executive Officer and the Executive Vice-President shall not take part in the vote.

If the Boardroom's technical installations so allow, Directors who take part in the Board meeting via videoconferencing, in accordance with statutory provisions, shall be deemed present when calculating the quorum and the majority.

This latter provision shall not apply to the following decisions: appointment or dismissal of the President, appointment or dismissal of the Chief Executive Officer, appointment or dismissal of Executive Vice-Presidents, drawing up and settlement of corporate and consolidated annual accounts and of the management report.

Issued either by the President or by the Secretary of the Board, convocations can be sent by mail, telex, fax, e-mail or verbally.

Article 3: Informing of the Board of Directors

The Board of Directors shall carry out any controls and verifications which it deems necessary. The President & Chief Executive Officer shall communicate to each Director any documents and information required for the accomplishment of his mission.

Whenever the requirements of confidentiality so allow, Board meetings shall be preceded by the dispatch, in good time, of a file dealing with points in the agenda which require particular analysis and prior consideration.

Article 4: The Board's Special Committees

The Board's deliberations may be prepared, in some fields, by Special Committees composed of Directors, designated for this purpose by the Board, who deal with issues falling within their field of competence, submitting their opinions and proposals to the Board or the General Management.

When exercising their respective remits, the Committees may ask the President to hear the Group's management executives on specific subjects.

At present, there are three Special Committees: the "Accounts and Auditing" Committee, the "Remuneration of Corporate Officers" Committee and the "Strategy" Committee.

Article 5: The "Accounts and Auditing" Committee

Generally speaking, the role of this Committee is to issue a statement to the Board of Directors concerning the accuracy and sincerity of the corporate and consolidated accounts, and also on the quality of the financial information. To do this, it verifies the relevance and permanence of the accounting methods adopted to draw up the accounts, verifies that information-gathering and control procedures guarantee the reliability of any information, verifies the independence of the Statutory Auditors and steers the selection procedure for these Statutory Auditors.

The Committee's task includes:

1. Examination of draft accounts which are to be submitted to the Board

- Verification of the permanence and validity of the accounting principles and methods adopted to draw up the corporate and consolidated accounts, compliance with current standards;
- In particular, within the framework of the application of the IFRS standards, validation of the positions of the Geodis group on the various standards and on the definition chosen by GEODIS of revenue and expenses which can be allocated to sectoral information;
- Review of key points in the settlement of annual and half-year accounts (such as functioning of information feedback and validation procedures, processing of consolidated goodwill, valuation and depreciation of intangible assets, provisioning rules, risks and uncertainties which could affect the accounts and any other verifications that the Committee may deem useful in order to ensure the sincerity of the accounts), before they are passed on to the Board of Directors;
- Examination of the choice of consolidation rules;
- Examination of the perimeter of consolidated companies and of reasons why some companies are not included;
- Examination of significant risks and commitments not included on the balance-sheet.

2. Examination of a map of corporate risks

The Committee examines the main financial risks liable to affect the sincerity of the accounts, the quality of the financial information or the future earnings of the Group, as well as any hedging.

In addition, it is informed of any significant modifications in the policy relating to insurance involving a significant aggravation of conserved risks (such as the introduction of a system to retain major risks without reinsurance, or the withdrawal of major guarantees).

It is also informed and formulates a statement prior to the signature of non-competition commitments which could affect the activities of the Geodis group, other than those which are transferred.

3. Examination of the task of the Statutory Auditors

- Examination of the work program of the Statutory Auditors and of the quality of their work;
- Assessment of the independence and objectivity of the Statutory Auditors, and verification of the fees paid by the Company and its Group to the company and network of the Statutory Auditors;
- Steering of the selection procedure for Statutory Auditors.

4. Examination of control and audit procedures

- Verification of the reliability of procedures to collect and check financial information;
- Examination of the internal audit programs of the Geodis group, connection to external auditing;
- Examination of the appropriateness of implementing a particular audit program, proposal to the Board of the decision to be made and of the content of the audit mission;
- Half-yearly reception of a summary of reports by external and internal auditors, and information about actions taken;

- Review of the main financial risks liable to affect the sincerity of the accounts or of financial information and/or to affect future earnings.

To this end, in the absence of the corporate officers, it hears the Statutory Auditors and the executives responsible for: drawing up accounts; internal control; and auditing. It may ask them to carry out further work on points which have drawn their attention.

The Chairman of the "Accounts and Auditing" Committee reports its work to the Board, in particular during Board meetings dedicated to drawing up annual and half-yearly accounts. In addition, the Chairman of the Committee presents a communication to the Board every year, relating to: the amount of fees paid by the Company and its Group to the company and network of the Statutory Auditors; the quality of their work and their independence and objectivity.

The "Accounts and Auditing" Committee is composed of three directors appointed by the Board of Directors who may not be corporate officers or members of the Group's staff. Its Chairman is appointed by the Board.

It convenes when its Chairman calls a meeting.

The current members of the "Accounts and Auditing" Committee are: Mr. Jean-Pierre MENANTEAU (Chairman), Mr. Yves RAMBAUD and Mr. Armand TOUBOL.

Article 6: the "Remuneration of Corporate Officers" Committee

This committee's task is as follows:

- to give the Board an opinion on the recruitment, designation or dismissal of the corporate officers of GEODIS;
- to propose to the Board the direct or indirect remuneration, fixed or proportional, of the President & Chief Executive Officer of GEODIS and of the Executive Vice-President;
- to propose to the Board the introduction or renewal of share subscription or share purchase plans for corporate officers and senior management executives; to give an opinion on the legal and financial conditions of these plans; to propose the attribution policy, and to draw up a list of beneficiaries in agreement with the President;
- to examine proposals to co-opt or appoint Directors within the Board of Directors of GEODIS and to formulate a statement on the search for independent Directors and their designation;
- to give an opinion on the qualification as an independent Director either of a candidate to a Director's post, or of a Director. and/or on the maintenance or acquisition of this qualification;
- to propose the mode of distribution of the remuneration of Directors, taking account if necessary, according to the conditions which it defines, of the attendance rates of Directors at Board and Committee meetings.

In addition, it is informed of the remuneration policy for management executives who are not corporate officers, upon which it may formulate recommendations.

The "Remuneration of Corporate Officers" Committee is composed of three Directors who are not corporate officers or members of the Group's staff. However, the President takes part in the Committee meeting when the agenda includes the introduction or renewal of a stock option plan, or information on the remuneration policy applied to senior executives who are not corporate officers.

The current members of the "Remuneration of Corporate Officers" Committee are: Mr. Armand TOUBOL (Chairman), Mr. Pierre FA and Mr. Yves RAMBAUD.

Article 7: the "Strategy" Committee

This committee's task is as follows:

- to consider the positions occupied by GEODIS on the various markets where the Group operates, and on their foreseeable evolution, taking account of the investment policy implemented by major competitors;
- to make proposals to the Board of Directors regarding the Group's main development priorities over the medium/long term, and regarding the resources required for such development;
- to evaluate possible partnerships or international alliances;
- to consider emergency measures which could be taken in the event of a crisis situation;
- to periodically examine whether the composition and functioning of the Board and the Committees is good enough for the fulfilment of their missions and the exercise of the responsibilities of the Directors, and to make proposals to the Board if necessary.

The "Strategy" Committee is composed of 5 Directors including the President & Chief Executive Officer and the Executive Vice-President of GEODIS.

The President & Chief Executive Officer and the Executive Vice-President are members of the "Strategy" Committee as of right. The other members of the Committee are M. Armand TOUBOL, M. Sven BOINET, M. François BRANCHE, M. Dominique THILLAUD.

Article 8: Conflicts of interest

Any Directors confronted with a conflict of interest, even if only potential, in particular through the exercise of duties within another company, shall so inform the Board and shall abstain from voting in the corresponding deliberation. The President may invite them not to attend the deliberation.

Article 9: Secrecy

All Directors should consider themselves as bound by a genuine professional secrecy regarding any information which they receive in their capacity as Directors or members of a Committee, and which is not publicly communicated, and regarding the opinions expressed by each Director.

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ANNEX

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1.1. The Board shall deliberate prior to the implementation of operations to acquire or transfer majority or minority interests, to acquire or transfer businesses, to acquire intangible assets or to wind up activities:

- which do not comply with the company's declared strategy when their immediate financial impact exceeds 3 million euros;
- which comply with the company's declared strategy when their immediate financial impact exceeds 10 million euros;
- the consequences of which may not be assessed without a high degree of uncertainty (for example, acquisition of companies which have made substantial losses over the last 12 months, or transfer of a company, even if profitable, in addition to representations and warranties of more than 10 million euros).

For the application of the above, the term "immediate financial impact" shall be understood to refer to:

- in the event of the acquisition of interests or businesses, the total of: the acquisition price; the working capital requirement to be financed; and the indebtedness taken over or to be insured, if any;
- in the event of a transfer of interests or businesses, the total of: the capital loss entailed by the transfer; sums not yet funded in the last balance-sheet and which are abandoned to the acquiring company; the cost of restructuring to be borne by the seller;
- in the event that a business is wound up, the total cost of closing;
- in the event of the acquisition of tangible assets, the spot price of these assets, regardless of how they are financed.

1.2. The Board shall also deliberate prior to the implementation of new partnerships, if these partnerships will cause a substantial modification in the conditions governing the exercise of the group's activities.

1.3. The Board shall be informed of the implementation of any operations to acquire or transfer majority or minority interests, to acquire or transfer businesses or to acquire tangible assets which do not fall within the scope of the provisions of 1.1. or 1.2. above.