



CORPORATE GOVERNANCE

A new corporate governance structure was implemented in 2005. It was designed to ensure a better distribution of authority between the Supervisory Board, which serves a control function, and the Management Board, responsible for the Group's management functions. The Management Committee remains the operational body for strategy implementation.

64 The Supervisory Board

68 The Management Board and the Management Committee

THE SUPERVISORY BOARD

The main prerogatives of the Supervisory Board are:

- The appointment and dismissal of members of the Management Board and its Chairman;
- The approval of any changes in the Group's structures or in the structure of the share capital.

The continuing role of the Supervisory Board is to verify and monitor the execution of corporate strategy. It can carry out any verification procedures that it deems necessary at any time and obtain access to all documents that it considers useful for such verifications. It must also verify the fairness and accuracy of the financial statements presented to it by the Management Board. When this verification process has been completed, the Supervisory Board draws up a report which is communicated to the shareholders during the Annual General Meeting.

Composition of the Supervisory Board

The Supervisory Board is chaired by Luc Vandevelde and has seven members.

Luc Vandevelde

Chairman of the Supervisory Board

Age 55

Luc Vandevelde began his career in 1971 with the Kraft Group in Brussels. He successively held the positions of Financial Director of Kraft in Madrid, Vice-president for Development and Planning of Kraft Europe in Lausanne and Director of Finance and Administration of Kraft GmbH in Germany. He was then appointed Vice-president for Finance and Administration of Kraft International in 1988 in the United States and Vice-president for Administration and Development of Kraft General Foods International in 1989. He returned to Europe in 1990 as Chairman and Managing Director of Kraft Jacobs Suchard for France, and then for France and Italy. In 1995, he joined Promodès as General Manager. In 1999, following the merger with Carrefour, he was appointed Vice-chairman and Managing Director of Carrefour. In 2000, he joined the Marks & Spencer Group as Chairman.

In January 2003, he founded Change Capital Partners in London and joined the Halley Family Group in April 2003. He was appointed a Director of Carrefour in March 2004. He then left Marks & Spencer in May 2004. On April 20, 2005, he was appointed Chairman of the Supervisory Board.

Other appointments

Member of the Board and Chairman of the Compensation Committee at Vodafone.

Member of the Boards of Société Générale, Comet BV and Citra SA.

Partner in Change Capital Partners.

Comet BV represented by Robert Halley

Representative of the Halley Family Group, a core shareholder of Carrefour

Age 70

Robert Halley joined Promodès in 1961. He was appointed General Manager of the Management Board in 1972 and Vice-Chairman and Managing Director in 1987.

José Luis Leal-Maldonado

Former Spanish Finance Minister and former Chairman of the Spanish Banking Association.

Age 66

José Luis Leal-Maldonado was appointed Managing Director for Economic Policy in 1977 in Spain, a position that he occupied until February 1978, when he became Secretary of State for Economic Coordination and Programming. He was appointed in Spain Finance Minister in April 1979, a position that he held until September 1980. From 1981 to 1990, he worked as Economic Advisor to the Banco de Vizcaya and assistant to the chairman of Banco Bilbao Vizcaya. From 1990 to 2006, he was Chairman of the Spanish Banking Association.

Other appointments

Member of the Boards of Saint-Gobain, Saint-Gobain Cristaleria Espanola, CEPESA, and Renault Spain. Chairman of "Dialogo", a Spanish-French friendship association and of Accion Contra el Hambre, Vice-Chairman of the Fundacion Abril Martorell and member of the Real Patronato del Museo del Prado and of the Fundacion Duques de Soria.

René Brillet

Former Carrefour General Manager for Asia

Age 65

René Brillet began his career as a radio officer in the Merchant Marine in 1968. In 1972 he joined Carrefour and successively held the positions of Chief Accountant in Italy and Brazil, then of Store Manager and Director of Organization and Methods while still in Brazil. In 1981, he moved to Argentina as Executive Director and then to Spain, where he was in charge of operations from 1982 to 1985, and finally to France, which he managed from 1986 to 1995. In 1996, he was appointed General Manager for Europe and then General Manager for Asia in 1998, a position that he held until February 28, 2004.

Anne-Claire Taittinger

Member of the Management Board of the Taittinger Group, General Manager of the Société du Louvre, Vice-president of Baccarat

Age 55

Anne-Claire Taittinger is a graduate of the Institut d'Études Politiques de Paris, and holds a Master's degree in urban sociology and an advanced degree in urban development from the Centre de Perfectionnement aux Affaires. She began her career in 1976 at the Caisse des Dépôts et Consignations as head of urban development operations at the Société

Centrale d'Équipement du Territoire. She joined the Louvre group in 1979 as General Secretary and then became Chairman and Managing Director of the Compagnie Financière Deville. She was successively Chairman and Managing Director of the Compagnie Financière Leblanc, of ELM-Leblanc, Vice-Chairman and Managing Director of the Industrial Division of Deville, Chairman and Managing Director of Parfums Annick Goutal France USA and then of Baccarat. She was appointed General Manager then, in 2002, Chairman of the Executive Committee of the Taittinger Group as well as General Manager of its subsidiary, the Louvre group, in conjunction with the separation of the functions of Chairman of the Board and General Manager.

Other appointment

Member of the Board of Dexia.

René Abate

Consultant

Age 57

René Abate is a graduate of the École Nationale des Ponts et Chaussées and the Harvard Business School. He began his career as an engineer with the New York Port Authority in 1970 and then joined BCG in 1974 where he was a consultant in the fields of strategy and organization to large companies in various sectors, notably in high turnover consumer goods and in food and specialist retailing. He was successively Cabinet Business Manager in France, Chairman of the Group for Europe and member of the World Executive Committee, positions from which he resigned in 2006.

Other appointments

Member of the Board of Directors of the École Nationale des Ponts et Chaussées. Member of the Board of Directors and Vice-president of the Envol association for European children.

Amaury de Sèze

Chairman of PAI partners

Age 59

Amaury de Sèze began his career in 1968 at Bull General Electric. In 1978, he joined the Volvo group where he held the positions of General Manager, Chairman and Managing Director of Volvo France, Chairman of Volvo Corporate Europe, member of the Executive Committee of the Volvo Group and member of the Renault Volvo Strategic Committee. He joined the Paribas group in 1993 as a member of the Management Board of the Compagnie Financière de Paribas and of the Paribas Bank, in charge of equity holdings and industrial affairs and then as Manager of the Equity Holdings Division of the BNP-Paribas Bank. He has been Chairman of PAI partners since 1998.

Other appointments

Member of the Boards of Eiffage, Groupe Bruxelles Lambert (GBL), Publicis, Gras Savoye, Groupe Industriel Marcel-Dassault, Power Corporation of Canada, and Pargesa Holding S.A.

THE COMMITTEES OF THE SUPERVISORY BOARD

There are two specialized committees within the Supervisory Board. The purpose of these committees is to examine certain specific issues in depth and make proposals to the Supervisory Board.

The Audit Committee

Missions of the committee

The prerogatives of the Audit Committee include responsibility for:

Annual and interim financial statements, for which:

- it examines the corporate and consolidated financial statements before they are presented to the Supervisory Board;
- it verifies that proper and consistent accounting methods are used to draw up the corporate and consolidated financial statements;
- it analyzes the intermediate and preliminary results and the commentaries on them before they are made public;
- it verifies that the internal procedures for collecting and auditing the information ensure that the aforementioned accounting methods can be correctly applied;
- it considers changes and adaptations of the accounting principles and rules used to draw up the financial statements.

Stock market regulations, for which:

- it assures the quality of the procedures and information relating to stock market regulations (reference document).

The internal and external audit of the company and its main subsidiaries, for which:

- it evaluates proposals for the nomination or renewal of the company's Statutory Auditors and their compensation;
- it evaluates, with those responsible for internal control, the Group's internal control systems.

The risks that it examines regularly with the Supervisory Board are of a financial, strategic or operational nature.

The committee can make use of the information available from the Group's Finance and Management Director and can hear the Statutory Auditors under conditions stipulated by the Committee.

Membership of the Committee

The committee has a maximum of four members appointed by the Supervisory Board from amongst its members.

Current committee members are:

- Robert Halley (Chairman)
- René Brillet (independent member)
- Amaury de Sèze (independent member)

The Committee meets at least three times per year. Two meetings are scheduled before the presentation of the annual and interim financial statements. The committee is not quorate unless at least half its members are present. A committee member may not appoint a proxy.

The Committee on Remuneration, Appointments and Corporate Governance

Missions of the committee

The Committee intervenes in the following areas:

- Proposals to the Supervisory Board for the nomination of its members;
- Proposals for the remuneration of corporate officers and the distribution of director's fees;
- Assessment of the overall stock-option package;
- Information on the nomination and remuneration of the Group's senior management;
- Evaluation of the quality of the work of the Supervisory Board.

Membership of the Committee

The committee has a maximum of four members appointed by the Supervisory Board from amongst its members.

Current committee members are:

- José Luis Leal-Maldonado
(Chairman and independent member)
- Anne-Claire Taittinger
(independent member)
- René Abate
(independent member)

The Committee meets at least once a year. It can meet at the request of the Chairman of the Supervisory Board or of two members of the Committee. The committee is not quorate unless at least half its members are present. A committee member may not appoint a proxy.

THE MANAGEMENT BOARD

The Management Board, an executive body appointed by the Supervisory Board, is responsible for the General Management of the company through a collective decision-making process. It examines and approves the financial statements and calls the Shareholders' Meeting. It reports on its management decisions to the Supervisory Board.



From left to right: Jacques Beauchet, José María Folache, José Luis Duran, Guy Yraeta, Javier Campo.

JOSÉ LUIS DURAN

Chairman of the Management Board

Age 41

After studying economics, José-Luis Duran began his career in 1987 at Arthur Andersen. He joined Pryca (a Carrefour subsidiary) in 1991 where he successively held the positions of Management Auditor (1991-1994), Management Auditor - Southern Europe (1994-1996) and then Management Auditor - Americas Region until 1997. After holding the position of Chief Financial Officer at Pryca he became Chief Financial Officer of Carrefour Spain in 1999.

In April 2001 he was appointed CFO and Managing Director of Organization and Systems for Carrefour and joined the group's Executive Committee. On February 3, 2005, José-Luis Duran was named Managing Director and Chief Executive Officer of the Group.

On April 20, 2005, he was appointed Chairman of the Management Board.

JACQUES BEAUCHET

Member of the Management Board

Age 54

After completing his studies at the European School of Management in Paris (ESCP), Jacques Beauchet began his career in 1977 in management control at Shell.

In 1986, he joined Codec as Management Control Director until 1989, when he became General Secretary. At the end of 1990, he was appointed acting Finance Director of Promodès. In 1993, he became Advisor to the Chairman, a post which he held concurrently with that of Communications Director from 1995.

In 1999, he was named the Carrefour group's Human Resources Director. Since February 3, 2005, Jacques Beauchet has been Managing Director for Human Resources, Communications and General Secretary.

On April 20, 2005, he was appointed to membership of the Management Board. The following divisions report to him directly: Human Resources, Communications, Legal, Quality and Risks, International Partnerships and Convenience France.



THE MANAGEMENT COMMITTEE

The Management Committee is responsible for the Group's operational management. Each member of the Management Committee reports directly to the Management Board, either to its Chairman, or to one of its members. The Management Committee is composed of:

MEMBERS OF THE MANAGEMENT BOARD

José Luis DURAN
Jacques BEAUCHET
Javier CAMPO
José Maria FOLACHE
Guy YRAETA

OPERATING DIVISIONS

China
Jean-Luc CHÉREAU
Chairman, Carrefour China
Éric LEGROS
Executive Director-China

Dia Spain
Ricardo CURRAS

Convenience and Cash & Carry Director

Gérard DOREY

Italy

Didier FLEURY

Supermarkets France

Thierry GARNIER

Belgium

Marc OURSIN

Dia Europe

Javier de la PENA

Spain

Gilles PETIT

Other Asian countries

Noël PRIOUX

Other European countries

Gilles ROUDY

Latin America

Éric UZAN

FUNCTIONAL DIVISIONS

Human Resources

Hervé CLEC'H

Grocery Sales

Juan CUBILLO

Organization, Systems and Supply Chain

Gérard LAVINAY

Finance Management

Éric REISS

JAVIER CAMPO

Member of the Management Board

Age 50

After studying engineering at the Universidad Politécnica in Madrid, Javier Campo began his professional career in 1979 at the Accenture consulting firm.

In 1982, he became General Manager of the Alton and Old Chap jean brands. He joined the Group in 1985 as Marketing Director of Dia.

In 1986, he was appointed General Manager of Dia Spain, then General Manager of Dia International.

In 1996, he became a member of the Executive Committee of the Promodès group and then of the Carrefour group in 1999.

On April 20, 2005, he was appointed to membership of the Management Board. The following divisions report to him directly: Dia, Food Sales and Organization, Systems and Supply Chain.

JOSÉ MARIA FOLACHE

Member of the Management Board

Age 45

After obtaining a law degree and an MBA from the IESE business school in Barcelona, José Maria Folache joined Continente in 1986 as Deputy HTCG Purchasing Director in the Merchandise Department in Spain.

In 1991, he was the Manager of a hypermarket for one year, and then returned to the Merchandise Department in Spain as Sales Director. In 1993, he was appointed Regional Director, and then in 1994, Director of non-food central purchasing for the Promodès group.

In 1998, he was appointed General Manager for Promodès Hypermarkets in Italy and in 2000 General Director, Spain. Since February 3, 2005, José Maria Folache has been Managing Director of the Europe region (excluding France). On April 20, 2005, he was appointed to membership of the Management Board. The following divisions report to him directly: sales (electrical/audiovisual, general merchandise and textiles), Italy, Spain, Belgium and other European countries.

GUY YRAETA

Member of the Management Board

Age 53

After completing his engineering studies at the Institut Supérieur d'Agriculture in the Rhône-Alpes region, Guy Yraeta joined Carrefour in 1976.

In 1988, he was appointed Store Manager and two years later, he took up the post of Grocery Director for France.

In 1994, he became Regional Director for the Central Northeast territory. Beginning in 1995, he held the post of Executive Director for Italy for four years. On April 20, 2005, he was appointed to membership of the Management Board. He is responsible for the management of hypermarkets in France.

