

# MERCIALYS

A French *société anonyme* (joint stock company)  
with a share capital of EUR 93,886,501

Registered headquarters located at: 16-18, rue du Quatre-Septembre - 75002 Paris, FRANCE  
Registered in the Paris Trade and Companies Registry under number 424 064 707

## ARTICLES OF ASSOCIATION

**Taken effect from May 21, 2021**

Certified copy  
Vincent RAVAT, Chief Executive Officer

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**CHAPTER I**  
**LEGAL FORM - NAME - PURPOSE - HEADQUARTERS – TERM**

**Article 1 - Legal Form of the Company**

A French société anonyme governed by the terms of these Articles of Association and applicable legal provisions regroups the owners of the shares described hereafter and any future shares created, as the case may be.

**Article 2 - Name**

The name of the company is MERCIALYS.

**Article 3 - Purpose**

The company's purpose, both in France and abroad, is to:

- acquire and/or build, directly or indirectly, alone or as an association, partnership, group, or company created with any other persons or companies, all types of lots, buildings, goods and immovable property in view of leasing them, manage, rent, lease, and develop all lots, buildings, goods and immovable property assets, furnish all real estate developments in view of leasing them, and exercise any other industrial or commercial activities related or connected to the aforementioned activity and, more generally, of which the exercise is associated with or includes the operation of shopping arcades or the leasing of real estate space in shopping arcades,
  
- participate, by any means available, in all transactions that may relate to its corporate purpose via the purchase of any interests and equity, by any means and in any form whatsoever, in any French or foreign real estate, industrial, financial, or commercial company, particularly via an acquisition, the creation of new companies, or subscriptions or purchases of securities or corporate rights, contributions, mergers, and entering into any partnerships, joint ventures, or economic interest groups or other, as well as the administration, management, and control of these interests and equity;

and, generally speaking, conduct all real estate property transactions, movable property transactions, commercial, industrial, and financial transactions that could potentially, directly or indirectly, relate to its corporate purpose, or any similar or associated purposes that may facilitate the realisation of, or support the extension or development of its corporate purpose, including through the arbitrage of its assets, particularly via sales.

**Article 4 - Headquarters**

The registered headquarters are located in Paris (75002), France, at 16-18 rue du Quatre-Septembre.

It may be transferred to any other place in accordance with the legal provisions in force.

In the case of a transfer decided by the Board of Directors, the Board is authorized to amend the articles of association accordingly.

**Article 5 - Term**

The company's term will end on December 31, 2097, save for its early dissolution or extension.

**CHAPTER II**  
**CONTRIBUTIONS - SHARE CAPITAL - SHARES**

**Article 6 - Contributions in kind - Authorized Share Capital**

- I. The company received the following partial asset transfers and contributions in kind:
- a. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, L'Immobilière Groupe Casino contributed immovable property goods and assets constituting a lot of shopping arcades and medium-sized non-food stores, valued at EUR 728,134,326 in transferred assets and EUR 8,295,534 in transferred liabilities, representing EUR 719,838,792 in net assets, assuming the allocation of 48,717,724 shares of par value one Euro each, issued with an overall acquisition premium of EUR 671,121,068.
  - b. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, L'Immobilière Groupe Casino contributed 2,910 shares of SCI Centre Commercial Kerbernard, 36,250 shares of SCI Toulon Bon Rencontre, and 57,884 shares of SCI Bourg-en-Bresse Kennedy, corresponding to an aggregate value of EUR 11,959,015.90, assuming the allocation of 1,850,783 shares of par value one Euro each, issued with an overall acquisition premium of EUR 10,108,233.
  - c. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, Uranie contributed immovable property goods and assets constituting its lot of shopping malls and medium-sized non-food stores, valued at EUR 35,892,352 in transferred assets and EUR 639,637 in transferred liabilities, representing EUR 35,252,715 in net assets, assuming the allocation of 2,385,856 shares of par value one Euro each, issued with an overall acquisition premium of EUR 32,866,859.
  - d. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, Société Française d'Exploitation d'Hypermarchés et de Supermarchés ("SFEHS") contributed immovable property goods and assets constituting its business of shopping arcades and medium-sized non-food stores, valued at EUR 5,525,781 in transferred assets and EUR 67,781 in transferred liabilities, representing EUR 5,458,000 in net assets, assuming the allocation of 369,390 shares of par value one Euro each, issued with an overall acquisition premium of EUR 5,088,610.
  - e. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, Dinertard contributed immovable property goods and assets constituting its lot of shopping malls, valued at EUR 22,050,241 in transferred assets and EUR 268,674 in transferred liabilities, representing EUR 21,781,567 in net assets, assuming the allocation of 1,474,147 shares of par value one Euro each, issued with an overall acquisition premium of EUR 30,307,420.
  - f. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, Béguines contributed immovable property goods and assets constituting its lot of shopping malls, valued at EUR 19,343,174 in transferred assets and EUR 174,475 in transferred liabilities, representing EUR 19,168,699 in net assets, assuming the allocation of 1,297,312 shares of par value one Euro each, issued with an overall acquisition premium of EUR 17,871,387.
  - g. Pursuant to the terms of a private agreement executed in Paris on August 23, 2005, and based on the Extraordinary Shareholders' Meeting's decision dated September 26, 2005, SCI Vendôme Commerces contributed immovable property goods and assets constituting the shopping arcade of the Espace Anjou shopping mall, representing EUR 57,696,000 in net assets, assuming the allocation of 3,904,788 shares of par value one Euro each, issued with an overall acquisition premium of EUR 53,791,212.

- h. Pursuant to the terms of a private agreement dated November 12, 2007, and based on the minutes of the Extraordinary Shareholders' Meeting dated December 21, 2007, Vindémia, Fim Colimo, SCI Oméga, and SCI Timur contributed immovable property assets with respect to four shopping arcades located on the island of Réunion, assuming the allocation of an aggregate 2,231,041 ordinary shares of par value 1 Euro each, and the provision of an aggregate EUR 58,007,066 acquisition premium.
  - i. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, L'Immobilière Groupe Casino contributed, to the company, immovable property goods and assets located in the town of Besançon, and valued at EUR 34,073,000, assuming the allocation of 1,449,915 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 32,623,085.
  - j. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, L'Immobilière Groupe Casino contributed, to the company, immovable property goods and assets with respect to 10 jointly-owned sites, the rights over which are assigned proportional to surface area, corresponding to supermarkets located in the towns of Angoulême - Champniers, Béziers, Boé, Fontaine-les-Dijon, La Ricamarie, Montargis, Montauban, Narbonne, Marseille La Valentine 1 & 2, and Arles, and valued at EUR 49,752,000, assuming the allocation of 2,117,106 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 47,634,894.
  - k. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, L'Immobilière Groupe Casino contributed, to the company, five leased immovable property assets used as hypermarkets or supermarkets, located in the towns of Marseille and Paris, and valued at EUR 123,920,000, assuming the allocation of 5,273,191 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 118,646,809.
  - l. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, Chafar 2 contributed immovable property goods and assets located in the town of Besançon (25000) Route de Dôle - also known as Pradey, and valued at EUR 13,093,000, assuming the allocation of 557,148 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 12,535,852.
  - m. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, Plouescadis contributed, to the company, all but one of the shares composing the share capital of each of the following companies: SNC Agout, SNC Chantecouriol, SNC Dentelle, SNC Géante Périaz and SNC Vendolonne, representing a fair investment value of EUR 66,152,000 and a net book value of EUR 45,232,419, assuming the allocation of 2,814,979 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 42,417,440.
  - n. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, Plouescadis contributed, to the company, all of the shares comprising the share capital of SAS Des Salins, representing a fair investment value of EUR 10,941,000 and a net book value of EUR 10,499,282, assuming the allocation of 465,574 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 10,033,708.
  - o. Pursuant to the terms of a private agreement dated April 9, 2009, and based on the minutes of the Extraordinary Shareholders' Meeting dated May 19, 2009, Sodexmar contributed, to the company, all but one of the shares comprising the share capital of SCI Timur, representing a fair investment value of EUR 35,574,000 and a net book value of EUR 35,574,000, assuming the allocation of 1,513,787 ordinary shares of par value one (1) Euro each, issued with an overall acquisition premium of EUR 34,060,213.
- II. The share capital is valued at EUR 93,886,501, or 93,886,501 same-class fully paid-up shares of par value one (1) Euro each.

## **Article 7 - Share Capital Increase**

I. Increasing the share capital can be done either via the issue of new shares of the same or of different class as existing shares, or by raising the par value of existing shares, or via the exercise of the rights attached to securities granting access to the share capital.

The new shares are paid for either in cash, or by off-setting liquid and payable claims on the company, or by capitalization of reserves, profits or issue premiums, or by contributions in kind, or as a result of a merger or demerger.

The Extraordinary Shareholders' Meeting is the only body authorised to decide on or approve an immediate or future share capital increase, except in the case described in paragraph II. It may delegate this authority to the Board of Directors in accordance with the law or grant the latter the powers necessary to carry out the share capital increase, in one or several instalments, within the statutory time frame, and set the terms and conditions, officially acknowledge its completion, and make any corresponding changes to the Articles of Association.

It may be decided to restrict the share capital increase in cash to the amount of subscriptions, under the conditions set forth by law.

In the event of a share capital increase via the issue of shares to be subscribed for cash, owners of existing shares benefit from a preferential subscription right exercisable, under applicable legal conditions, for the subscription of these shares. However, the shareholders may individually waive their preferential subscription right and the General Shareholders' Meeting that decides on the share capital increase may eliminate this preferential subscription right, under applicable legal conditions.

Those shareholders, who do not hold enough old shares to obtain a whole number of new shares must, if they wish to exercise their rights, find an agreement with others while ensuring that said agreement does not result in joint subscriptions.

II. The share capital increase can also be triggered as a result a request made by any shareholder to receive the share-based payment of all or part of the dividend or advance on dividend effectively distributed, provided this right has been granted to the shareholders at the General Shareholders' Meeting called to approve the financial statements of the fiscal year.

Within the statutory time frame allotted, the Board of Directors officially acknowledges the number of shares issued pursuant to the previous paragraph and makes the necessary changes to the Articles of Association relative to the amount of authorised share capital and the number of shares it represents.

## **Article 8 - Share Capital Reduction and Amortization**

The Extraordinary Shareholders' Meeting can also, under the conditions set forth by law, decide or authorise the Board of Directors to reduce the share capital for any reason and in any manner whatsoever and, in particular, via the purchase and cancellation of a set number of shares or according to a one-for-one or lower exchange ratio of old shares for new ones, regardless of whether they have the same par value and, as the case may be, combined with the transfer or purchase of old shares to allow for the exchange, and with or without additional cash consideration to be paid or received.

## **Article 9 - Payment for the Shares**

I. The price of the shares issued for cash in the context of a share capital increase must be paid for:

- upon subscription, for at least one quarter of their par value and, as the case may be, the full amount of the premium,
- and the surplus, gradually according to the company's needs, and based on the ratios, at the times, and at the locations specified by the Board of Directors, while taking into account the statutory deadline imposed on submitting full payment for shares paid in cash.

Shareholders receive a call for funds notification fifteen days before the deadline set for each payment. They are sent by registered letter with acknowledgment of receipt or published in a legal announcement journal printed in the city in which the registered headquarters are established.

Shares issued in exchange for a contribution in kind, or following a capitalization of profits, reserves or issue premiums, or even in the event said shares were, in part, secured through said capitalization and, in part, through a payment in cash, must be fully paid up at the time they are issued.

II. The subscriber and his or her successive assignees shall be jointly and severally held liable for the payment of any outstanding balance payable on the share.

Two years after the transfer from one account to another, any subscriber who has sold his or her security is longer held liable for the payment of uncalled amounts.

III. Should shareholders fail to complete their respective payments by the deadline, interest on the amount due is applied *ipso jure* at the statutory rate as from the due date, and without the need for a court order.

Without prejudice to any issues faced by virtue of legal provisions, any shareholder who, within a time frame not to exceed thirty days after a formal warning is sent to him or her via registered letter with acknowledgment of receipt, has not paid what he or she owes in connection with the shares, may be forced to pay, by any means provided under common law, and even by via the sale of shares on which payments are due.

This sale is performed by the Board of Directors in accordance with the conditions applicable under common law.

#### **Article 10 - Share Ownership and Form – Transfers**

I. The shares are held in registered form until they are fully paid-up. When full payment is confirmed, shareholders can decide whether to hold them in bearer or registered form, subject to any conflicting legal provision.

Irrespective of whether they are held in registered or bearer form, ownership of the shares is established once they are registered in a securities account under the conditions specified in applicable regulations.

Save for any conflicting legal provisions, the conversion of registered shares into bearer shares, and vice versa, is subject to the shareholder's signed request in writing, and he or she must bear all related expenses, in compliance with applicable regulations.

Provisions concerning the shares are applicable to bonds as well as to any securities the company may issue in the future.

II. The company and third parties complete transfers or sales of shares to each other via a wire transfer from one account to the other under the conditions specified in applicable regulations.

#### **Article 11 - Names of Shareholders – Threshold Declarations**

I. Subject to legal and regulatory conditions, the Company or its agent may request at any time, from the central financial instruments depository, either directly from one or more intermediaries mentioned in Article L. 211-3 of the French monetary and financial code, the name or, in the case of a legal person, the company name, nationality, year of birth or, in the case of a legal person, the year of incorporation, postal address and, where applicable, email address of the holders of bearer shares conferring immediate or future voting rights at General Meetings, the number of shares held by each of them and any restrictions that apply to such shares, and any other information stipulated by the applicable legal and regulatory provisions.

Following a request referred to in the first paragraph above, when a custodian identifies, in the list that he/she is responsible for drawing up, an intermediary as mentioned in paragraph seven of Article L. 228-1 of the French Commercial Code registered on behalf of one or more third-party owners, he/she transmits this request to him, unless the company or its agent expressly asks for this not to happen at the time of the request. The questioned registered intermediary is required to transmit the information to the custodian, who is responsible for communicating it on the latter's behalf, as the case may be, to the Company or its agent or to the central depository.

If the identity of the securities owner(s) cannot be uncovered, the vote or the power issued by the registered account intermediary will not be taken into account.

Lastly, the company has the right to ask any legal entity holding more than 2.5% of the share capital or voting rights to reveal the identity of the persons directly or indirectly holding more than one third of the share capital of said legal entity or of the voting rights cast at this entity's shareholders' meetings.

The securities' holders or holders of the solicited information's failure to disclose information under applicable legal conditions could lead to the suspension, or even the deprivation of one's right to vote and right to the payment of the dividend attached to shares or to the securities granting immediate or future access to the share capital and for which these persons have been registered in an account.

II. In addition to the statutory obligation to inform the Company when certain percentages of share capital and associated voting rights are reached, any individual or legal entity (including any intermediary holding shares belonging to persons domiciled outside France), either alone or in concert with other individuals or legal entities, who comes to hold or ceases to hold 1% of the capital or voting rights or any multiple thereof, by any means, shall disclose to the Company, within five (5) trading days of the crossing of either of these thresholds, by registered letter with acknowledgment of receipt, the number of shares and voting rights that it holds.

In order to determine these thresholds, consideration is made of shares assimilated to owned shares and the voting rights attached thereto pursuant to the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code.

In each declaration referred to above, the person making said declaration must certify that the declaration covers all of the securities held or possessed as defined by the previous paragraph. The following must also be specified: the shareholders' identity as well as that of the natural persons or legal entities acting together with said shareholder, the number of shares or voting rights he holds directly or indirectly, alone or with other parties, the date and the source of the threshold crossing, and, when applicable, the information referred to in the third paragraph of Article L. 233-7 of the French Commercial Code.

These disclosure requirements will no longer apply in the event that a single or several shareholder(s) acting jointly hold more than 50% of the voting rights.

In the event of any failure to disclose information under these conditions, the portion of shares in excess of what should have been declared are deprived of the right to vote in shareholders' meetings provided, during a given shareholders' meeting, the failure to disclose is officially acknowledged and one or several shareholders jointly holding at least 5% of the share capital or voting rights make the request at said meeting. Under the same conditions, voting rights that have not been properly declared cannot be exercised.

If deprived, a voting right cannot be exercised at any shareholders' meeting for two years as from the date on which the disclosure issues are remedied.

#### **Article 12 - Indivisibility - Usufruct - Bare Ownership Rights**

Shares are indivisible vis-à-vis the company.

The joint owners of shares must be represented by only one such owner or by a sole officer. In the event of a dispute, the representative is appointed, at the request of the most diligent of the joint owners, by order of the President of the Commercial Court, based on summary proceedings (*statuant en référé*).

At Ordinary Shareholders' Meetings, the voting right attached to the share belongs to the usufructuary, whereas it belongs to the bare owner at Extraordinary Shareholders' Meetings, unless any agreements in effect between them stipulate otherwise. To be binding on the company, these agreements must be notified to the latter by registered letter with acknowledgment of receipt. They take effect five days after said notification is received, as per the postmark on the letter.

#### **Article 13 - Rights and Obligations Attached to the Shares**

I. Notwithstanding, as the case may be, the par value of the shares, their payment status, the amortized and non-amortized share capital, as well as the rights of same-class shares, each share entitles its owner to a share proportional to the portion of the share capital said share represents in the ownership of the corporate assets and in the distribution of profits.

Under the same reservations, for the purpose of setting the rights each share entitles its holder in any distributions or any reimbursements made during the life of the company or at asset liquidation, as the case may be, all the shares must be grouped together, not only the fractional shares carried forward from previous distributions, but also any tax exemptions and any taxes that could potentially be paid for by the company and that may concern certain shares as a result of either previous share capital reductions, or the method according to which the share capital they represent was established, or the issue rate, such that each share will be eligible, as a result of being grouped together, for the payment of the same net sum, irrespective of the share's origin.

- II. Shareholders are held liable - even vis-à-vis third parties - for no more than the amount of their contributions, beyond which they cannot be subject to any calls for funds.
- III. Vis-à-vis the company, a holder of one of its shares has a stake in any distribution of dividends, advances on dividends, or reserves paid out by the relevant bodies of the company as from the moment said share is registered in the account of the holder in question.  
The ownership of a share implies the *ipso jure* acceptance of the company's Articles of Association and of the decisions taken at General Shareholders' Meetings.  
Every time it is necessary to own several shares in order to exercise a given right, isolated shares or an amount of shares below the required amount does not grant their owners any right over the company. Should they wish to exercise said right, shareholders must regroup the necessary number of shares.
- IV. Rightful heirs, creditors, assigns or other representatives of shareholders cannot, under any circumstances whatsoever, order the affixing of the company's seal or the drawing up of any inventory, carrying out any sale via the auction of property held by joint owners, or making any distribution, or interfering in any way in the management of the company.

### **CHAPTER III BOARD OF DIRECTORS**

#### **Article 14 - Rules applicable to the Composition of the Board of Directors**

The company is managed by a Board of Directors. Subject to the legal provisions applicable in the event of a merger with another joint-stock company, the Board of Directors is composed of at least three members and at most eighteen, appointed by the Ordinary Shareholders' Meeting.

Any legal entity may be appointed to the office of Director. Whenever a legal entity is appointed, it must in turn appoint a permanent representative for the duration of said entity's term of office as Director, so that said representative can take part in the deliberations of the Board of Directors and, generally speaking, so that he or she may exercise the duties of Director, subject to the same conditions and obligations and entrusted with the same responsibilities, both civil and criminal, as if said representative were exercising said duties on his or her own behalf.

In the event of the death, resignation or the removal from office of its permanent representative, the legal entity acting as Director must immediately notify the company via registered letter with acknowledgement of receipt regarding said the termination of said representative's term in office, as well as the identity of its new permanent representative. The permanent representative's office must be confirmed every time the legal entity's term of office as Director is renewed.

Accepting and exercising the duties of Director implies, for every party concerned, that he or she is permanently in compliance with the conditions and obligations required under applicable law, particularly concerning the combination of multiple offices.

#### **Article 15 - Director Shares**

Each Director must own at least one hundred (100) shares held in registered form.

If, on the day he or she is appointed, a Director does not own the number of shares required or if, while in office, he or she stops being the owner, he or she will be deemed as having automatically resigned in the event that he has not remedied the situation within six months.

#### **Article 16 - Duration of Office - Age Limitations - Replacement**

- I. Notwithstanding the impact of paragraphs II and III of this article, the duration of Directors' offices is three (3) years expiring at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the office expires.  
Once they have reached the end of their term, Directors are eligible for renewal.  
Directors are appointed or their terms of office renewed pursuant to a decision taken by the Ordinary Shareholders' Meeting.

Directors' terms of office are up for renewal on a rolling basis, in order to ensure that a roughly equal amount of Directors' terms of office are renewed each year. In order to enable the system of rotation to operate, the Ordinary General Meeting can appoint a director for a period of one or two years, on an exceptional basis.

- II. No person over the age of seventy (70) can be appointed as Director or permanent representative of a Director that is a legal entity, if such appointment would cause the number of Directors and permanent representatives of legal entities over said age to be more than one third of the total number of Directors serving on the Board. In the event that one third of all Directors is over the age of seventy, the oldest Director or permanent representative of a legal entity is deemed as having automatically resigned at the end of the Ordinary Shareholders' Meeting called to approve the financial statements of the fiscal year in which this age threshold was surpassed.
- III. In the event that one or more seats become vacant as a result of the death or resignation of Directors, the Board of Directors can appoint temporary Directors to hold office until the next shareholders' meeting. These appointments must be approved at the next Ordinary Shareholders' Meeting. If a Director appointed by the Board of Directors temporarily as described above is not granted permanent status by the shareholders' meeting, said Director's actions and the Board's decisions during this temporary appointment remain valid nonetheless.

Should the number of Directors fall below three, the remaining members (or, in the event of a lack of members, a corporate officer appointed by the President of the Commercial Court at the request of any person concerned) must immediately call for an Ordinary Shareholders' Meeting in order to appoint one or more new Directors for the purpose of securing the required amount of members and resuming compliance with applicable legal thresholds.

A Director appointed to replace another Director remains in office for the remainder of his or her predecessor's term of office.

The appointment of a new Board member to be added to the permanent list of members in office can be decided only by the shareholders' meeting.

#### **Article 17 - Board Leadership**

The Board of Directors appoints a Chairman from among the natural persons sitting on the Board.

If deemed useful, the Board of Directors, elects one or more vice-chairmen from among its members and, and to complete its leadership, appoints a secretary who need not be a member of the Board of Directors or a shareholder. The vice-Chairman/men and the secretary remain in said leadership position for the amount of time determined by the Board of Directors, it being specified that said duration cannot, as the case may be, exceed the duration of his or her term of office as Director.

The status of vice-Chairman does not grant any specific rights other than the right to chair the Board of Directors' meetings and shareholders' meetings in the event that the Chairman or the Director temporarily appointed to replace him or her is unable to attend said meetings, in accordance with the provisions of the French Commercial Code.

In the event that the Chairman and, as the case may be, the Director temporarily appointed to replace him or her, or the vice-Chairman/men is unable to attend a meeting, for each meeting the Board of Directors designates the member in attendance who will chair said meeting. In the event that the secretary is unable to attend a meeting, the Board of Directors designates one of its members or a third party to replace him or her.

The Chairman, the vice-Chairman/men and the secretary are eligible for reappointment.

#### **Article 18 - Board Decisions**

- I. The Board meets as often as required in the company's interest and every time said Board deems it appropriate, at the location indicated in the meeting notification.

Meeting notifications are prepared by the Chairman or by any person he or she appoints to do so on his or her behalf; if the Board has not met for more than two months, one third of the Directors in office can ask the Chairman to call for a meeting based on a predetermined agenda. The Chief Executive Officer can also ask the Chairman to call for a meeting based on a predetermined agenda.

A Director can grant proxy to another Director for the purpose of being represented in the Board of Directors' decision-making process. The Board is the only body authorised to validate said proxy, which can be granted by any means, provided the request is completed in writing and is unambiguous as to the grantor's wishes. A Director may represent only one other Director.

II. In order for the Board's decisions to be considered fully valid and binding, the attendance of at least half of the Directors in office is necessary and sufficient. An attendance sheet is drawn up and signed by the Directors in attendance at the meeting. This attendance sheet lists the names of Directors deemed in attendance in the meaning of Article L. 225-37 of the French Commercial Code.

Decisions are taken based on a majority vote of the members present and represented. In the event of tie, the Chairman's vote becomes the deciding vote. However, in the event that the Board is composed of less than 5 members, decisions can be taken by two Directors in attendance, provided they are in agreement.

Directors can participate in the deliberations by videoconference or by means of telecommunication, under the conditions and according to the terms applicable pursuant to rules in force and the Board of Directors' Internal Rules.

III. The Board of Directors has the right to make written decisions in accordance with the conditions specified in Article L. 225-37 of The French Commercial Code.

At his own initiative, the Chairman of the Board of Directors may adopt, by means of consulting the directors in writing, the decisions falling within his own remit, such as:

- the temporary appointment of Board members in the event of vacancies;
- the authorization of the sureties, endorsements and guarantees granted by the Company;
- the bringing into compliance of the Articles of association with the statutory and regulatory provisions taken on the delegation of the Extraordinary General Meeting;
- convening the Annual General Meeting;
- the transfer of the Company's head office within the same department;

and, more generally, all decisions falling within the remit of the Board of Directors as expressly laid down in law or in the applicable regulations.

In this event, the Chairman shall send each director the text of the proposed resolutions as well as documents providing directors with the necessary information. Directors shall vote within the time period indicated in the consultation procedure. Such time period shall not be less than two (2) working days from receipt of the consultation documents. Any director who has not sent his or her response to the consultation to the Chairman of the Board of Directors within the applicable period shall be deemed not to have participated in the decision.

During this time period, directors may send written questions to the Chairman of the Board of Directors.

At the initiative of the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer, the Statutory Auditors or other persons having specific competence with regards to the items included on the agenda may participate in this consultation.

The decision shall only be adopted if at least half of the directors have participated in the written consultation, and the majority of the members participating in this consultation.

In the event of a tie, the Chairman of the meeting shall have the casting vote.

IV. Decisions are recorded in minutes signed by the meeting's Chairman and at least one Director. Written consultations shall be recorded in minutes signed by the Chairman and must contain material evidence of the reply of each Director in an appendix.

Copies or excerpts of these minutes, to be presented in court or elsewhere, are validly certified by the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer(s), the Director temporarily appointed to replace the Chairman, or a person duly authorised for this purpose.

The deliberations of the Board of Directors may also be recorded in minutes prepared in electronic form. They are then signed by means of an electronic signature in accordance with the terms of Article 26 of Regulation (EU) No. 910/2014 of the European Parliament and of the Council of July 23, 2014 on electronic identification and trust services for electronic transactions within the internal market.

The information and statements contained in the copies or excerpts of Board meeting minutes are binding on third parties and serve as proof of the number of Directors in office, their attendance or representation at a meeting, of whether they are acting as Directors or as permanent representatives of a legal entity appointed as Director, of the identity of the Chairman or Vice-Chairman of the Board of Directors currently in office, of the Chief Executive Officer currently in office, of the Director temporarily appointed to replace the Chairman, as well as regarding any proxies granted by represented Directors.

#### **Article 19 - Powers of the Board of Directors - Committees - Related-party Agreements**

I. The Board of Directors shall determine Company business policies and ensure that they are implemented, in line with its corporate interest, taking into consideration the social and environmental challenges of its business. It also takes into consideration, where applicable, the Company's purpose, as defined in accordance with Article 1835 of the French Civil Code.

The Board of Directors performs the audits and checks that it deems necessary.

- II. At the time of the appointment or renewal of the office of Chairman, the Board of Directors must set the company's senior management operation method, which is handled either by the Chairman, or by another natural person appointed for this purpose.  
However, the Board of Directors may, at its own discretion and at any time, change the senior management operation method, it being specified that this decision does not trigger a change in the Articles of Association.  
As the case may be, shareholders and third parties are informed of this choice under the conditions set by decree.
- III. The Board can create committees, of which it determines the composition and responsibilities, in order to assist it in the completion of its assignments. Said committees, each in their area of expertise, make suggestions, recommendations, and issue opinions, based on what is required.
- IV. The Board authorises, under applicable legal conditions, agreements other than those concerning standard transactions carried out under normal conditions, as discussed in Article L 225-38 of the French Commercial Code, it being specified that it is strictly prohibited for the company to grant loans, overdrafts, sureties, or guarantees in favour of the persons referenced in Article L 225-43 of the French Commercial Code.
- V. In accordance with Article L.225-35 of the French Commercial Code, the commitment of any sureties, underwritings or guarantees granted on behalf of the company are subject to a Board of Directors' authorisation. However, the Board of Directors may authorise the Chief Executive Officer to grant sureties, underwritings or guarantees on behalf of the company, capped at an aggregate annual amount and, as the case may be, per commitment.
- VI. Subject to any applicable legal restriction, delegations of power, powers of attorney or duties limited to one or more predetermined transaction(s) or transaction category(ies) can be granted or assigned to any persons, be it Directors or any other persons.

#### **Article 20 - The Chairman of the Board of Directors**

The Chairman of the Board of Directors organises and manages the Board of Directors' work, and reports to the General Shareholders' Meeting regarding said work. He ensures the proper functioning of the corporate bodies of the company and, in particular, ensures that the Directors are able to exercise their duties.

Accepting and exercising the duties of Chairman implies that he or she is permanently in compliance with the statutory limits regarding the combination of multiple offices.

The Chairman can be appointed for the duration of his or her directorship, subject to the Board of Directors' right to strip him or her of this title, at any time, and to the Chairman's right to resign before his or her term expires. The Chairman is eligible for reappointment.

The Chairman's age cannot exceed seventy-five (75) years. Exceptionally, in the event the Chairman reaches the aforementioned age while in office, he or she will remain Chairman until the end of his or her term of office.

In the event that the Chairman is temporarily unable to exercise his or her duties or dies, the Board of Directors may designate a Director to serve as Chairman. In the event that the Chairman is temporarily unable to exercise his or her duties, this delegation of powers is granted for a limited yet renewable amount of time. In the event that the Chairman dies, said delegation is valid until the the election of the new Chairman.

### **CHAPTER IV SENIOR MANAGEMENT**

#### **Article 21 - Senior Management**

##### **I. The Chief Executive Officer**

The Senior Management of the company is the responsibility of either by the Chairman of the Board of Directors or another natural person, not necessarily a Director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Whenever the Chairman is responsible for the senior management of the company, the terms of the Article hereof are applicable to said Chairman; he or she then bears the title of Chairman and Chief Executive Officer.

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances on behalf of the company. The Chief Executive Officer exercises his or her powers within the limits of the company's corporate purpose, subject to those powers the law expressly grants to shareholder's meetings and to the Board of Directors. However, as an internal measure, the Board of Directors may decide to limit the Chief Executive Officer's powers.

He or she represents the company in its relations with third parties.

The Chief Executive Officer remains in office for as long as specified by the Board of Directors. However, the term of office cannot exceed three (3) years. The Chief Executive Officer is eligible for reappointment.

The Chief Executive Officer's age cannot exceed seventy-five (75) years. However, in the event that the Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

In that the Chief Executive Officer is temporarily unable to exercise his or her duties, the Board of Directors provisionally appoints a Chief Executive Officer whose office shall expire on the date the Chief Executive Officer is ready to resume exercising his or her duties.

The Board of Directors can remove the Chief Executive Officer from office at any time. If the removal from office is carried out without proper justification, it may result in damages, except when the Chief Executive Officer also exercises the duties of Chairman of the Board of Directors.

## II. Deputy Chief Executive Officers

On the Chief Executive Officer's suggestion, the Board of Directors can appoint one or more natural persons in charge of assisting the Chief Executive Officer. Any said person is assigned the title of Deputy Chief Executive Officer.

There cannot be more than five Deputy Chief Executive Officers.

In agreement with the Chief Executive Officer, the Board of Directors determines the duration of the Deputy Chief Executive Officers' respective terms of office, which cannot exceed three (3) years and, as an internal measure, the powers granted to said Deputy Chief Executive Officers. Deputy Chief Executive Officers are eligible for reappointment. They are granted the same powers as the Chief Executive Officer vis-à-vis third parties.

The Deputy Chief Executive Officer's age cannot exceed seventy-five (75) years. However, in the event that the Deputy Chief Executive Officer reaches this age while in office, he or she will remain in office until the expiration of his or her term of office.

The Board of Directors can remove a Deputy Chief Executive Officer from office at any time, on the Chief Executive Officer's recommendation. If the removal from office is carried out without proper justification, it may result in damages.

The Chairman, provided he or she also exercises the duties of Chief Executive Officer, the Chief Executive Officer, or each of the Deputy Chief Executive Officers are authorised to grant sub-delegations or substitutions of powers relative to one or more predetermined transactions or categories of transactions.

## **Article 22 - Compensation paid to members of the Board of Directors and Senior Management**

- I. The members of the Board of Directors may receive an annual compensation, the aggregate amount of which is set by the General Shareholders' Meeting and maintained until a decision to change it is made at a future meeting.

The Board of Directors distributes this compensation freely among its members, and can decide to grant a higher amount of fees to Directors who are members of the committees discussed in Article 19.III.

- II. The Board of Directors determines the fixed and/or proportional amount of compensation to be granted to the Chairman or Vice-Chairman/men, to the Chief Executive Officer and, subject to the Chief Executive Officer's approval, to the Deputy Chief Executive Officers.

The Board of Directors also determines the amount of compensation to be granted to a Director temporarily appointed to replace the Chairman, as well as, under the conditions set forth in the French Commercial Code, any extraordinary compensation to be granted with respect to assignments and offices entrusted to Directors.

Directors who are either natural persons or legal entities are not eligible for any compensation, whether permanent or not, other than the compensation related to the activity of directors, extraordinary compensation granted in connection with assignments and offices such as an office as committee member entrusted by the Board, as well as compensation that could be granted, as the case may be, in connection with their duties as Chairman, Chief Executive Officer, and Deputy Chief Executive Officers and, lastly, the wages paid to them in connection with their employment contract.

III. Compensation, irrespective of whether it is fixed and/or proportional, may be granted by the Board of Directors to any non-directors entrusted with any duties, delegations, or assignments whatsoever and, in particular, to any committee members.

## **CHAPTER V NON-VOTING DIRECTORS**

### **Article 23 - Appointment – Duties**

The Ordinary Shareholders' Meeting can appoint Non-voting Directors who are either natural persons or legal entities from among the company's shareholders. The Board of Directors can appoint Non-voting Directors to serve on the Board at any time, provided their office is approved at the next Ordinary Shareholders' Meeting. No more than five Non-voting Directors can sit on the Board.

A Non-voting Director remains in office for three years. His or her duties expire at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the past fiscal year and held in the year in which the office expires. Non-voting Directors are eligible for reappointment indefinitely, and can be removed from office at any moment by decision of the Ordinary Shareholders' Meeting.

A Non-voting Director's age cannot exceed eighty (80) years. Any Non-voting Director is automatically deemed as having submitted his or her resignation at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the fiscal year in which he or she turned eighty (80).

Non-voting Directors attend Board of Directors' meetings, and offer their opinions and observations and take part in the decision-making process in an advisory capacity.

They are eligible for compensation, the amount of which is set by the Ordinary Shareholders' Meeting and maintained until a decision to change it is taken at a future shareholders' meeting. This compensation is distributed, at the Board of Directors' discretion, among all Non-voting Directors.

## **CHAPTER VI STATUTORY AUDITORS**

### **Article 24 - Appointment – Duties**

I. The Ordinary Shareholders' Meeting appoints, under applicable legal conditions, one or more Statutory Auditors for a six-year term. These duties expire at the end of the Ordinary Shareholders' Meeting set to approve the financial statements of the sixth fiscal year of said term. They carry out their auditing duties in accordance with the law.

II. Statutory Auditors must attend the following meetings, for which they are notified via registered letter with acknowledgement of receipt:

- any shareholders meeting, of which they cannot be notified any later than shareholders,
- and Board of Directors' meetings set to approve the annual and interim financial statements, as the case may be, of which they cannot be notified any later than Directors.

**CHAPTER VII**  
**GENERAL SHAREHOLDERS' MEETINGS**

**Article 25 - Composition of the General Shareholders' Meeting**

I. The General Shareholders' Meeting regroups all owners of shares, irrespective of the number of shares each of them holds, subject to any balance remaining to be paid on any said shares within the applicable statutory time frame.

The General Shareholders' Meeting, convened and assembled under applicable rules, represents all shareholders; its decisions are binding on all shareholders, including dissident, disabled and absent persons.

II. Any shareholder can appoint a proxy to represent him or her in accordance with the law.

Minors and persons with disabilities are represented by their guardians and trustees. The latter need not be shareholders on a personal basis. A legal entity is validly represented by any legal representative with the necessary authority or by a person specifically authorised for that purpose or, failing such person, by its permanent representative on the Board of Directors, the latter of which is deemed *ipso jure* as having the authority to represent said legal entity.

An owner of shares who does not reside in France can be represented by the third party lawfully registered as the holder of these shares on said owner's behalf.

III. The right to participate in General Shareholders' Meetings is subject to the registration of the shares in a securities account held in the name of the shareholder or of the third party registered on the shareholder's behalf provided the latter resides outside France, within the time frame set forth under Article R.225-85 of the French Commercial Code. This securities account registration is made either in the registered securities accounts managed by the company or its authorised agent, or in the bearer securities accounts managed by an authorised intermediary.

The registration of securities in the bearer securities accounts managed by an authorised intermediary is reported in a statement of equity delivered by the latter electronically, as the case may be, in the appendix to the form for voting by mail or by proxy, or for requesting an admission card, as applicable, filled out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A statement is also issued to shareholders who wish to attend the General Shareholders' Meeting in person and who have not received an admission card within the time frame specified under the terms of Article R.225-85 of the French Commercial Code.

IV. If the Board of Directors so decides, shareholders may participate in meetings and vote by video conference or any other means of telecommunications, including the Internet, that allows for them to be identified in accordance with current regulations and the conditions decided by the Board of Directors.

On the decision of the Board of Directors, the shareholders may submit the voting forms remotely or by proxy electronically, in accordance with the applicable regulations. The forms can be entered and signed directly on the website set up by the centralizing institution in charge of the General Shareholders' Meeting. The electronic signature of the form may be effected by any process in accordance with the provisions of paragraph two of Article 225-79 of the French Commercial Code, or any other legal provision that may subsequently replace it, such as use of an identifier and a password.

This form of electronic voting and the acknowledgment of receipt given therein shall be regarded as an irrevocable, written confirmation that is binding on all, except in the case of a transfer of securities notified under the conditions provided for in paragraph two of Article R 225-85 IV of the French Commercial Code or by any other legal or regulatory provision that may subsequently replace it.

The power of attorney expressed by this electronic means, as well as the acknowledgment of receipt given therein, shall be regarded as a revocable written confirmation that is binding on all persons under the conditions defined by law.

## **Article 26 - Types of Shareholders' Meetings**

The Extraordinary Shareholders' Meeting is the only body authorised to amend the Articles of Association and all their provisions, except in the cases set forth in Article 4 and in paragraph II of Article 7. Any other decisions are taken by the Ordinary Shareholders' Meeting.

In addition to the annual Ordinary Shareholders' Meeting held every year within six months of the closing of the fiscal year (subject to the potential extension of this deadline by order of the President of the Commercial Court, as requested by the Board of Directors), Ordinary Shareholders' Meeting may be convened at any times of the year.

## **Article 27 - Notice of Meeting - Meeting Location - Agenda**

I. General Shareholders' Meetings are convened by the Board of Directors or, in the event the Board is unable to do so, by the Statutory Auditors, or even by a representative appointed by the President of the Commercial Court, based on summary proceedings, at the request of either one or more shareholders jointly holding at least 5% of the share capital, or of an association of shareholders under the conditions provided for in Article L. 225-120 of the French Commercial Code.

The first meeting notification is sent at least fifteen days before the meeting and any further notifications at least ten days before the meeting, by way of an ad published in a legal announcement journal printed in the county (*département*) in which the registered headquarters are established and in the French *Bulletin des Annonces Légales Obligatoires*.

Shareholders who have owned registered shares for at least one month as of the date of the aforementioned notice are notified by ordinary letter or by any means of electronic telecommunication.

The notification of meeting is preceded by a notice containing the disclaimers required by law, published in the French *Bulletin des Annonces Légales Obligatoires* at least thirty-five days before the meeting.

II. Meetings are held in the city in which the registered headquarters are established or at any other location in France, as specified by the party calling for the meeting.

III. The agenda of each General Shareholders' Meeting is determined by the party calling for the meeting. It can, as the case may be, contain the proposed items of one or more shareholders, under the conditions fixed by law.

## **Article 28 - Board Leadership – Attendance Sheet - Votes - Mail-in Vote - Meeting Minutes**

I. The Chairman of the Board of Directors, or its Vice-Chairman, or a Director appointed by the Board for that purpose or, failing these, any person designated from among those in attendance at the meeting is responsible for chairing the General Shareholders' Meeting.

In the event that the Statutory Auditor(s) or a court-appointed officer call for the meeting, the General Shareholders' Meeting is chaired by the party calling for the meeting.

The duties of scrutineer are assigned to the two members in attendance who receive, on behalf of themselves or their proxies, the largest number of votes and, in the event of a refusal to take on scrutineer duties, by those with the second highest number of votes and so forth until two scrutineers are appointed.

The Board's leadership committee appoints a secretary who need not be a shareholder.

II. An attendance sheet is drawn up under legal conditions, and is duly signed by the shareholders in attendance and the representatives of shareholders unable to attend the meeting, indicating the shareholders voting by mail and certified true and accurate by the meeting's leadership committee.

III. Shareholders hold as many votes as the shares he or she holds or represents, without limitation, with the only exception of the cases provided for by law or in these Articles of Association.

Under the terms of paragraph 3 of Article L. 225-123 of the French Commercial Code, no double voting right will be granted with respect to fully paid-up shares that have been registered in the name of the same shareholder for two years.

In the event that a shareholder gives proxy without specifying a representative, the Chairman of the General Shareholders' Meeting casts a vote in favour of the adoption of draft resolutions presented or approved by the Board of Directors and a vote against the adoption of any other draft resolutions.

To cast any other vote, the shareholder must appoint a proxy who accepts to cast the votes such shareholder wishes to cast.

Votes are cast by a show of hands, by e-mail or by any means of telecommunication allowing for the identification of the shareholders under the conditions set forth by applicable regulations. If proposed by the leadership committee, the General Shareholders' Meeting can also decide hold a secret vote.

Shareholders may also vote by postal mail, under legal conditions.

The vote or proxy issued by an intermediary that has either not declared itself as an intermediary registered as a holder of securities on behalf of third parties not domiciled in France, or has not disclosed the identity of the owners of the shares for which it is a registered intermediary, in accordance with regulations in force, will not be counted.

IV. Decisions are recorded in minutes signed by the members of the leadership committee.

Copies or excerpts of these minutes, to be presented in court or elsewhere, are validly certified by the Chairman of the Board of Directors, the Chief Executive Officer, provided the latter is a Director, or the secretary of the meeting.

#### **Article 29 - Ordinary Shareholders' Meeting**

I. The Ordinary Shareholders' Meeting meets every year to:

- approve, adjust or reject the annual financial statements and the consolidated financial statements, determines the allocation of profits by complying with the terms of Article 33 and may decide, under applicable legal conditions, to grant each shareholder the option to choose between a cash or share-based dividend payment with respect to all or part of the distributed dividend or advance on dividend,
- approve the agreements discussed in Article L 225-38 of the French Commercial Code,
- appoint the Directors, confirm or reject the provisional appointments made by the Board and, as the case may be, remove Directors from office at its entire discretion,
- decide on the allocation of a fixed annual sum to Directors as compensation for their duties and fix the amount thereof,
- appoint the Statutory Auditors,
- approve a transfer of registered headquarters within the same or neighbouring county (*département*), provided the Board of Directors decided on such transfer,
- and, generally speaking, rule on any issues that are not within the jurisdiction of the Extraordinary Shareholders' Meeting.

II. Any other Ordinary Shareholders' Meeting can rule on the matters discussed above in paragraph I, with the sole exception of issues relating to the financial statements of the past fiscal year.

III. The Ordinary Shareholders' Meeting is properly set up and deliberates validly if the shareholders present, represented or voting by mail own at least one fifth of the shares carrying a voting right. If the quorum is not reached, another meeting is convened with the authority to make valid decisions regardless of the fraction of the share capital represented at the meeting. However, this second meeting only has the authority to decide on the matters on the first meeting's agenda. A majority vote of shareholders present in person, voting by post or represented by proxy is required for a decision to be made at an Ordinary General Meeting. The votes cast do not include those attached to the shares for which the shareholder has not participated in the vote, has abstained, has returned an empty or void voting form or whose form gives no voting indication.

#### **Article 30 - Extraordinary Shareholders' Meeting**

I. The Extraordinary Shareholders' Meeting can apply any changes authorised under corporate law to the Articles of Association. It can, in particular:

- change the corporate purpose or the name,
- decide to transfer the registered headquarters,
- increase or reduce the share capital or decide on its amortization,
- launch or delegate any issue of securities granting access to the share capital or the right to the allocation of debt securities,
- vote in favour of the reduction of the number of shares combining them, even if this causes mandatory share transfers,
- modify the conditions of sale or transfer of the shares,

- amend the profit allocation rules,
- decide a company merger,
- decide the extension or the dissolution of the company,
- subject the company to any new legal provision non applicable *ipso jure*,
- decide to transform the company.

II. The Extraordinary Shareholders' Meeting is properly set up and deliberates validly if the shareholders present, represented or voting by mail own at least, upon first notice of meeting, one fourth and, upon second notice of meeting, one fifth of the shares carrying the right to vote; if this last quorum is not reached, the second meeting may be postponed to a date no more than two months after the initially set date.

At an Extraordinary General Meeting, a two-thirds majority of votes cast by shareholders present in person, voting by post or represented by proxy is required. The votes cast do not include those attached to the shares for which the shareholder has not participated in the vote, has abstained, has returned an empty or void voting form or whose form gives no voting indication.

Extraordinary Shareholders' Meetings called to decide or to authorise a share capital increase exclusively by capitalization of reserves, profits or issue premiums, deliberate under the quorum and majority conditions set forth in Article 29.

### **Article 31 - Shareholders' Rights to Information**

The company makes available to its shareholders, at its registered headquarters and, as the case may be, their address, under legal conditions and in compliance with statutory time frames, all the documents provided for by law so they can exercise their right to information, in particular with respect to the annual financial statements, information leading up to General Shareholders' Meetings, the list of shareholders, and the minutes of the meetings held in the past three fiscal years.

## **CHAPTER VIII FISCAL YEAR - PROFITS - RESERVES**

### **Article 32 - Fiscal Year**

The fiscal year starts on the first day of January and ends on the 31<sup>st</sup> day of December of each year.

At the close of each fiscal year, the Board of Directors draws up the inventory of the company's various assets and liabilities, the balance sheet, the income statement and the notes, in compliance with legal and regulatory guidelines. It also draws up the management report required by law.

At the close of each fiscal year, the company prepares its consolidated financial statements.

### **Article 33 - Allocation of Income - Reserves**

I. The income statement breaks down the revenues and charges in the fiscal year. After deducting amortization and provisions, it shows the profit or loss of the fiscal year.

From this profit, net of any losses carried forward, as the case may be, is first withheld:

- at least five per cent to fill the legal reserve fund, which stops being mandatory when the amount of the reserve held in said fund reaches one tenth of the share capital, but continues to apply if, for any reason whatsoever, the legal reserve falls below this 10% threshold, and
- any sums to be allocated to reserves as required by law.

The balance plus any retained earnings represents the distributable profit available to be paid out by the General Shareholders' Meeting, based on the Board of Director's recommendation, in full or in part, on the shares by way of dividends, or allocated to reserves or share capital amortisation, or reported as retained earnings.

Subject to a Board of Directors' proposal and a General Shareholders' Meeting decision, sums allocated to reserves can later be either distributed or capitalised.

In addition, the General Shareholders' Meeting can decide to distribute sums deducted from the reserves at its disposal. In that case, the decision clearly states which reserve(s) said sums are being deducted from.

- II. The total or partial amortisation of the shares triggers a corresponding loss in the right to redeem the par value of the share.

#### **Article 34 - Payment of Dividends and Advances**

- I. The payment of dividends in cash is made on the date and at the locations determined by the General Shareholders' Meeting or, failing that, by the Board of Directors, within a time frame not to exceed nine months after the fiscal year end, unless said time frame is extended by order of the President of the Commercial Court in connection with a request submitted by the Board of Directors.  
The Board of Directors may, before approving the financial statements of the fiscal year, distribute, under applicable legal conditions, one or more advances on dividends.
- II. The General Shareholders' Meeting called to approve the financial statements of the fiscal year can grant each shareholder the option to choose between a cash or share-based dividend payment, with respect to all or part of the distributed dividend or advances on dividends.  
The request for a share-based dividend payment must be submitted no later than three months after the date of the General Shareholders' Meeting.

Any dividends that were not received within five years from the date on which they were paid out are allocated in accordance with legal provisions.

### **CHAPTER IX LOSSES - DISSOLUTION - LIQUIDATION**

#### **Article 35 - Losses**

If, as a result of any losses reported in the company's accounting documents, the company's shareholders' equity falls below 50% of its authorised share capital, the Board of directors must, within four months following the approval of the financial statements showing the losses, call an Extraordinary Shareholders' Meeting in order to rule on the issue of knowing whether an early dissolution of the company is required.

If dissolution does not get the winning vote, the company must, in compliance with applicable legal deadlines, reduce its share capital by an amount at least equal to the amount of losses not deducted from reserves provided, within said legal deadlines, shareholders' equity has not been raised back up to at least half of the authorised share capital.

The meeting's decision is, in all cases, published in accordance with the applicable regulations.

Should the meeting discussed above not be convened, or in the event it was not able to deliberate validly when it was last convened or, lastly, in the event that the provisions of the second paragraph above have not been applied, any person concerned may request the dissolution of the company before the Commercial Court.

#### **Article 36 - Dissolution - Liquidation**

The company enters liquidation proceedings from the moment it is dissolved, at any time and for any reason whatsoever, except in the event of a merger or dissolution by universal assets transfer.

The General Shareholders' Meeting, deliberating under the quorum and majority conditions required at Ordinary Shareholders' Meetings, appoints one or several liquidators, with or without limitation of the duration of their offices and, as the case may be, determines their compensation.

The liquidators have the most extensive powers to liquidate any assets, wipe off any liabilities, distribute the available balance in accordance with the terms of the last paragraph of the Article hereof and, generally, do everything useful or necessary to ensure the complete liquidation of the company, including the provisional continuation of operations.

The appointment of the liquidator(s) puts an end to Directors' terms of office as well as, unless the aforementioned General Shareholders' Meeting decides otherwise, the Statutory Auditors' terms of office.

During the liquidation proceedings, all excerpts or copies of minutes of General Shareholders' Meetings or earlier Board of Directors' meetings are validly certified by one of the liquidators.

Shareholders are convened at the end of the liquidation proceedings to approve the final accounting, the amount payable to the liquidator(s) for its management services and the termination of their office, and to officially acknowledge the end of the liquidation proceedings.

The remaining shareholders' equity once the paid-up and non-amortised par value is repaid is distributed among shareholders proportionately to their equity interest in the share capital.

**Article 37 - Courts / Jurisdiction**

Any disputes related to corporate affairs that may arise during the life of the company or at the time of its liquidation either between the company and its shareholders, its Directors, the Chairman of the Board of Directors, the Chief Executive Officer, or the Deputy Chief Executive Officers, will be judged in accordance with the law and placed under the jurisdiction of to the Commercial Court of the location in which the registered headquarters of the company are established, of which the President will be the only party authorised to make a petitioned request or call for summary proceedings to discuss the functioning of the company.