

# VALLOUREC REVERSE STOCK SPLIT

## Q&A

### **What is a reverse stock split?**

A reverse stock split is the process of replacing, by exchange, a certain number of old shares by one new share without changing the market capitalization of the company.

In practice such an operation raises the nominal value of the old shares by the exchange ratio.

This operation boosts the stock price because the share price is also multiplied by the same exchange ratio.

The shareholder's portfolio value remains unchanged.

### **What is the proposed exchange ratio for this reverse stock split?**

1 new share with a nominal value of 80 € will be exchanged for 40 old shares with a nominal value of 2 €.

### **When will the reverse stock split be effective?**

Vallourec reverse stock split is to take place on 25 May 2020. New consolidated shares will be listed on that date, with the new ISIN code FR0013506730 / Mnemonic VK.

Last trading day of old shares (ISIN code FR0000120354) will be on 22 May 2020.

### **Is the Reverse stock split automatic?**

For shares forming a multiple of 40, shareholders do not have to complete any formalities: these shares will be automatically consolidated by their financial intermediary.

### **What will happen if the number of shares held by a shareholder is not a multiple of 40?**

Until 22 May 2020, shareholders who do not hold a number of shares corresponding to a multiple of 40 will have to make it their personal business to buy or sell the shares forming fractional shares, in order to obtain a multiple of 40.

After this deadline, shareholders who could not obtain a number of shares that is a multiple of 40 will be compensated by their financial intermediary within 30 days from 25 May 2020.

Old shares will then be delisted from Euronext and will be replaced by new consolidated shares.

Example: A shareholder holds 90 Vallourec shares.

He will receive 2 new consolidated shares and a compensation for 0.25 new consolidated share ( $90/40 = 2.25$  new consolidated shares).

### **How will the compensation for fractional shares be paid?**

From 25 May 2020 to 24 June 2020, fractional shares will be automatically sold on the stock market by each financial intermediary, which will pass on the proceeds of the sale to the relevant shareholders.

Shareholders are invited to contact their financial intermediary for any further information.

### **Will the reverse stock split change Vallourec share's nominal value?**

Yes, the nominal value of each Vallourec new consolidated share will be €80.

### **Does a reverse stock split alter the share market price?**

Yes the share price will increase mechanically in proportion to the reduction of the number of shares in circulation.

**Does a reverse stock split alter the value of the shareholder's portfolio?**

No the reverse stock split does not affect the value of the shareholder's portfolio.

After the operation, shareholders will have fewer shares in their portfolios but the value of each share will have increased.

**What is the impact of the reverse stock split on the number of voting rights held by shareholders?**

Each new consolidated share will confer one voting right.

The new shares will immediately have double voting rights, subject to their being held in registered form, if, on the date of the reverse share split, each of the previously existing shares consolidated into the new shares had double voting rights.

In the event of a reverse split of existing shares that were registered on different dates, the period used to assess the double voting right of the new shares shall be deemed to begin on the most recent date on which the existing shares were registered.

**What will be the number of shares after the operation?**

Based on 457,987,760 Vallourec shares outstanding on 8 April 2020, the number of new consolidated shares of the company will be 11,449,694.

**What is the ISIN code of the new consolidated shares?**

Consolidated shares' ISIN Code will be: FR0013506730.

ISIN Code of former shares remains unchanged: FR0000120354.

First quotation date of consolidated shares: 25 May 2020.

### **What fees are involved in the reverse stock split?**

The reverse stock split does not involve any fees for shares that form an exact multiple of 40. However, shareholders are personally responsible for purchasing or selling the number of shares required to obtain a multiple of 40.

As for the management of odd lots, fees relating to buy or sell orders depend on the relationship between the shareholder and his/her financial intermediary.

Shareholders are invited to contact their financial intermediary or tax advisor for any further information.

### **What is the deadline to place a cash order to round my portfolio?**

You must transmit a selling or a purchase order to your financial intermediary at the latest on the close of business of the 2nd day preceding the effective date of the reverse stock split, ie 22 May 2020.

Thus, shareholders are invited to contact their financial intermediary to know the deadline applicable to them.

### **Is it possible to consolidate shares held with several financial intermediaries? Or with a single financial intermediary but on several securities account?**

From the opening of the reverse stock split period, the shareholder will benefit from a 30-day period to perform all the relevant trade-offs required to obtain an exact multiple of the exchange ratio on each of his/her securities accounts.

### **What are the key dates for shareholders?**

Until 22 May 2020 included: shareholders will be able to manage odd lots by selling and buying Vallourec shares directly on the market so that the total number of shares they hold is a multiple of 40.

From 23 April until 22 May 2020 included: reverse stock split period

25 May 2020: effective date of Vallourec shares reverse stock split et first quotation date of new consolidated shares.

Within 30 days as from 25 May 2020: shareholders whose holding of shares is not a multiple of 40 will be compensated by their financial intermediary.