

Free translation for English Readers

VALLOUREC

**French limited liability company (*société anonyme*)
with a Management Board and a Supervisory Board**

With share capital of € 228 993,88

**Registered office: 27 avenue du Général Leclerc – 92100 Boulogne-Billancourt,
France**

no. 552 142 200 on the Nanterre Trade Companies Register

Siret no. 552 142 200 00773 – APE no. 7010Z

MEMORANDUM AND ARTICLES OF ASSOCIATION (*STATUTS*)

- **Change of article 6**

(Management Board's decisions of 26 May 2020)



**Certified by Mr. Edouard Guinotte
Chairman of the Management Board**

V A L L O U R E C

MEMORANDUM AND ARTICLES OF ASSOCIATION

(STATUTS)

Article 1 FORM

This Company is a French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board. It shall be governed by the laws in force and by the Memorandum and Articles of Association.

Article 2 NAME

The Company's name shall be "V A L L O U R E C"

Article 3 OBJECT

The Company has the following object in all countries, either on its own behalf or on behalf of third parties, or in direct or indirect joint ventures with third parties:

All industrial and commercial operations relating to all methods of preparing and manufacturing metals and all materials that may replace them in all their uses, by all known processes and any that may subsequently be discovered.

And, generally, all commercial, industrial and financial transactions, in real or personal property, directly or indirectly related to the above-mentioned company object.

Article 4 REGISTERED OFFICE

The registered office is located at 27 avenue du Général Leclerc, Boulogne-Billancourt 92100 (Hauts-de-Seine).

It may be transferred to any other location on French territory by the decision of the Supervisory Board, subject to ratification of this decision by the next Ordinary Shareholders' Meeting.

When a transfer is decided on by the Supervisory Board, said Board shall be authorised to amend the Memorandum and Articles of Association accordingly.

Article 5

LIFE

The Company's life shall end on 17 June 2067 unless it is extended or the Company is dissolved early.

Article 6 SHARE CAPITAL

The share capital is set at €228,993.88 divided into 11,449,694 shares with a nominal value of €0.02.

Article 7 CHANGES IN SHARE CAPITAL

The share capital may be increased or reduced pursuant to a decision of an Extraordinary General Meeting of the shareholders under the conditions laid down by law.

The General Meeting may delegate to the Management Board the powers necessary for the purpose of increasing or reducing the capital.

Whenever it may be necessary to hold several shares in order to exercise a right, especially in the case of a reduction of capital, for any reason and in any manner whatsoever, the shareholders shall be personally responsible for grouping, and, if applicable, buying or selling the number of shares or rights required.

Article 8 SHARES

1. Form

Shares may be registered or bearer shares, at the shareholder's choice, in the absence of statutory or legal provisions which may provide, in certain cases, solely for registered shares.

The Company shall be entitled to request the identification of holders of securities that grant the right to vote at its own General Meetings, immediately or subsequently, as well as the quantities held, all the foregoing under conditions laid down by the laws in force.

2. Transfer of shares

Shares may be traded freely in the absence of statutory or regulatory provisions to the contrary. They shall be transferred by account-to-account transfer.

3. Rights of shares

Ownership of a share shall automatically entail acceptance of the Memorandum and Articles of Association and decisions taken by General Meetings of the shareholders.

Rights and obligations attached to a share shall remain with it regardless of the owner of said share.

The right to take part in General Meetings and to vote on resolutions shall be attached to each share under the conditions laid down by law and by the Memorandum and Articles of Association.

Each share shall give the right to ownership of the Company's assets and in the sharing of profits in proportion to the number of existing shares, taking into account the nominal value of the shares and the rights of different classes of shares, where applicable.

All existing or future shares making up the share capital shall be treated identically for tax purposes. As a result, and apart from the effect of the date as from which dividends can be paid or how far the shares have been paid up, all the shares shall give the right, during the Company's life and in the event of liquidation, to payment of the same net amount in any allocation or redemption, such that all shares shall be considered together, where applicable, regardless of any tax exemptions or of any other taxes to which this allocation or redemption could give rise.

Shareholders shall only bear the Company's losses up to the amount of their contributions.

4. Indivisibility

Shares shall be indivisible as regards the Company. All joint owners of undivided shares must arrange to be represented, as regards the Company, by only one of them or by a lawful joint representative, subject to statutory or regulatory provisions relating to the exercise of the right to receive information.

Heirs, representatives or creditors of a shareholder may not, under any pretext whatsoever, cause seals to be placed on the Company's property or securities or take proceedings as regards said assets and securities, request the sharing or the public sale of property held in common (*licitation*) or interfere in acts by the Company's management in any way whatsoever. They shall rely on the Company's statements of assets and liabilities and decisions taken by General Meetings.

5. Crossing of statutory thresholds

Any shareholder crossing a threshold stipulated by law, whether such crossing results in his holding being above or below said threshold, must make a declaration to this effect to the Company and the Autorité des Marchés Financiers (AMF) in accordance with the prevailing legislation. Failure to make such a declaration will result in the application of the legal provisions in force.

In addition to the declarations of crossing thresholds expressly provided by Articles L. 233-7-I and II of the French Code de Commerce, any shareholder (individual or corporate body) that acquires, directly or indirectly by means of companies controlled by the shareholder within the meaning of Article L. 233-3 of the French Code de Commerce, acting singly or jointly, a number of the Company's bearer shares equal to or greater than three (3), four (4), six (6), seven (7), eight (8), nine (9) and twelve and half (12.5) per cent of the total number of shares making up the share capital must, within five (5) trading days of crossing said threshold, inform the Company of the total number of shares it holds, by letter sent by recorded delivery with advice of receipt to the Company's registered office.

In each declaration, the shareholder making the declaration must certify that the declaration made covers all the shares held, acting singly or jointly, directly or indirectly by means of companies controlled by the shareholder within the meaning of Article L. 233-3 of the French Code de Commerce or as indicated in Article L. 233-9 of the French Code de Commerce. The shareholder must also indicate the date or dates of acquisition or disposal of the shares to which the declaration refers.

The penalties provided for by law in the event of failure to comply with the requirement to declare the crossing of legal thresholds apply also in the event of the failure to declare the crossing of thresholds stipulated by these By-laws, at the request, recorded in the minutes of the General Meeting, of one or more shareholders holding at least 5% of the Company's shares.

Article 9 MANAGEMENT BOARD

1. Composition of the Management Board

The Company shall be run by a Management Board which shall perform its duties under the control of a Supervisory Board.

It shall be composed of between two and five members appointed by the Supervisory Board. Members of the Management Board, who must be natural persons, may but need not be shareholders.

Any member of the Management Board may be removed from office either by the Ordinary General Meeting or by the Supervisory Board. If the person involved has entered into an employment contract with the Company, his or her removal from office as a member of the Management Board shall not end this contract.

Members of the Management Board shall be appointed for a maximum term of six years. They shall be eligible for re-election. Any member of the Management Board who passes the age of 65 shall be deemed to have resigned automatically at the close of the Ordinary General Meeting following his 65th birthday. The Supervisory Board may extend this age limit by one year, in which case the Management Board member concerned shall be deemed to have resigned automatically at the close of the mandatory Ordinary General Meeting following his 66th birthday.

2. Organisation and operation of the Management Board

The Supervisory Board shall give one of the members of the Management Board the capacity of chairman. The Management Board shall meet whenever this is required in the Company's interests. Said meeting shall be convened by the chairman or by any other member of the Management Board at the place stated by the person who issued the convening notice. Meetings may be convened by any means, even verbally. It is possible for the agenda only to be drawn up at the time of the meeting. No member may be represented at a Management Board meeting. In the event that the chairman is absent or unable to act, the chief operating officer or, failing this, the oldest member shall act as chairman. The Management Board may appoint a secretary. If said secretary is not a member of the Management Board, he or she shall only attend meetings when he or she is invited to do so.

The Management Board shall only deliberate validly if the majority of its members are present. Decisions shall be taken by the Management Board by a majority of the members present, with each member having only one vote.

The Management Board shall draw up internal regulations in order to specify and complete its methods of operation, in particular as regards minutes of meetings.

3. The Management Board's powers

The Management Board shall be vested with the most extensive powers to act in the Company's name in all circumstances. It shall exercise such powers within the limit of the Company's object and subject to those powers expressly allocated by law to the Supervisory Board and to General Meetings of the shareholders. Any member of the Management Board may be removed from office either by the Ordinary General Meeting or by the Supervisory Board.

In the context of the internal organisation of the Company, in addition to the legal obligations relating to prior authorisation by the Supervisory Board, the Management Board may not carry out the following operations without the Supervisory Board's prior authorisation:

- . increasing the capital in cash or by capitalising reserves as authorised by a General Meeting of the shareholders,
- . issuing any securities that could subsequently give access to the capital as authorised by a General Meeting of the shareholders.

With the authorisation of the Supervisory Board, the members of the Management Board may divide management tasks between them. However this division of tasks shall under no circumstances have the effect of removing from the Management Board its character as a governing body collectively managing the Company.

4. Representation as regards third parties

The chairman of the Management Board shall represent the Company in its relations with third parties.

In addition, the Supervisory Board may grant the same power of representation to one or several other members of the Management Board who shall then be called chief operating officer(s) (*directeur général*). The chairman of the Management Board and the chief operating officer(s) shall be authorised to appoint any special representatives they shall deem appropriate to replace them as regards some of their powers.

Article 10 SUPERVISORY BOARD

1. 1. Composition

1.1. *Number of Supervisory Board members and term of office*

The Supervisory Board is composed of no less than three members and no more than twelve members, with, where applicable, one or several members representing employees and/or employee shareholders appointed in accordance with the law and these bylaws.

The term of office of the members of the Supervisory Board appointed by the Shareholders' Meeting shall be four years and shall expire at the end of the Shareholders' Meeting called to approve the financial statements for the previous fiscal year and held in the year in which the term of office of the aforementioned member expires. They are eligible for re-election.

1.2. *Members of the Supervisory Board representing employees*

Pursuant to Article L.225-79-2 of the French Commercial Code, the Supervisory Board includes two members representing employees. One member representing the employees is appointed by the Group Committee (France) and the other is appointed by the European Works Council.

In addition to the applicable legal provisions, it is specified, where necessary, that a failure of the aforementioned staff representative bodies to appoint, in application of the law and this Article, a member of the Supervisory Board representing employees (regardless of the reason and in particular in the event of a delay of the latter), does not impact the validity of the Supervisory Board's deliberations.

The term of office of the members of the Supervisory Board representing employees is four years from the date of their appointment. They are eligible for re-election.

The term of office as member of the Supervisory Board representing the employees shall be terminated early under the conditions provided for by law. In the event of a vacancy

for any reason whatsoever in the seat of a Supervisory Board member representing employees, the vacant seat shall be filled under the conditions set by law. Until the date of such replacement, the Supervisory Board may validly meet and deliberate.

1.3. Member of the Supervisory Board representing employee shareholders

When, at the end of a fiscal year, the portion of the share capital held – within the framework provided for by the provisions of Article L.225-102 of the French Commercial Code – by the employees of the Company and of the companies related to it within the meaning of Article L.225-180 of said Code, represents more than 3% of the Company's share capital, a Director representing the employee shareholders shall be elected by the Ordinary Shareholders' Meeting, from among the two candidates proposed by the employee shareholders referred to in the aforementioned Article L.225-102, in accordance with the terms and conditions set by the regulations in force and by these bylaws.

The two candidates for election to the position of member of the Supervisory Board employee shareholder are appointed under the following conditions:

- a) If the shares held by the employees referred to in Article L.225-102 of the French Commercial Code are held through a company mutual fund ("FCPE"), all of the Supervisory Boards of these FCPEs, specially convened for this purpose, shall jointly designate a candidate.

At the meetings of the Supervisory Boards of the aforementioned FCPEs, each member of these Supervisory Boards has one vote for the appointment of a candidate for election to the position of member of the Supervisory Board representing employee shareholders. This candidate is appointed by a majority of the votes cast by the members of the Supervisory Boards present or represented at the aforementioned meeting or having cast a vote via mail.

- b) If the shares are held directly by the employees referred to in Article L.225-102 of the French Commercial Code, the employees shall nominate a candidate. The appointment of the candidate will be made by the employee shareholders through an electronic voting procedure. Under this voting procedure, each employee shareholder will have a number of votes equal to the number of shares he or she holds directly. The candidate is nominated by a majority of the votes cast by the employee shareholder voters.
- c) If all of the shares held by the employees referred to in Article L.225-102 of the French Commercial Code are held under the conditions referred to in a) of this paragraph 1.3, the two candidates referred to in the first paragraph of this Article 1.3 shall be appointed by the Supervisory Boards of the FCPEs in accordance with the procedures described in a) of this paragraph. Reciprocally, the provisions of b) of this paragraph shall apply to the appointment of the two candidates referred to in the first paragraph of this Article 1.3 in the event that all the shares held by the employees referred to in Article L.225-102 of the French Commercial Code are held under the conditions referred to in b) of this paragraph.

Prior to the appointment of the two candidates for the position of member of the Supervisory Board representing employee shareholders, the Chairman of the Supervisory Board, with the ability to sub-delegate such adoption, shall adopt a Regulation for the Appointment of Candidates (the "Regulation") specifying the timetable and organization of the appointment procedures provided for in a) and b) of this Article 1.3.

The Regulation will be brought to the attention of the members of the FCPE Supervisory Boards, as part of the appointment procedure provided for in a) of this paragraph 1.3, and to the attention of employee shareholders, as part of the appointment procedure provided for in b) of this article 1.3, by any means that the Chairman of the Supervisory Board deems

appropriate and adequate, in particular, and without limitation, by means of posters and/or individual mail and/or electronic communication.

The Regulation must be communicated at least two months (i) before the actual meeting of the FCPE Supervisory Boards following the procedure provided for in paragraph 5.2 (a) and (ii) before the opening of the voting period provided for in paragraph 5.2 (b).

The member of the Supervisory Board representing employee shareholders shall be elected by the Ordinary Shareholders' Meeting from among the two candidates nominated, respectively, pursuant to the provisions of a) and b) of this Article 1.3, under the conditions applicable to any appointment as a member of the Supervisory Board. The Supervisory Board presents the two candidates to the Shareholders' Meeting by means of two separate resolutions, and approves, if applicable, the resolution concerning the preferred candidate. The candidate referred to above who receives the highest number of votes from the shareholders present or represented at the Ordinary Shareholders' Meeting shall be elected as the member of the Supervisory Board representing employee shareholders.

This member of the Supervisory Board is not taken into account in determining the maximum number of directors provided for in Article L.225-69 of the French Commercial Code.

In accordance with the above provisions, the term of office of the member of the Supervisory Board representing employee shareholders is set at four years and ends in accordance with the aforementioned provisions.

However, their term of office shall automatically terminate and the Director representing employee shareholders shall be deemed to have resigned automatically in the event of loss of their status as an employee of the Company (or of a company or economic interest grouping related to it within the meaning of Article L.225-180 of the French Commercial Code). The renewal of the term of office as member of the Supervisory Board representing employee shareholders shall be carried out under the conditions provided for in this Article.

The provisions of the bylaws relating to the number of shares that each member of the Supervisory Board must hold throughout their term of office are not applicable to this employee shareholder member. Nevertheless, the member of the Supervisory Board representing employee shareholders must hold, either individually or through an FCPE governed by Article L.214-40 of the French Monetary and Financial Code, at least one share or a number of units of said fund equivalent to at least one share. Failing this, they shall be deemed to have resigned automatically on the date on which they cease to hold a share of the Company or a number of units of the FCPE representing at least one share of the Company.

In the event of a vacancy in the position of member of the Supervisory Board representing employee shareholders for any reason whatsoever, the appointment of candidates to replace such member shall be made in accordance with the conditions set forth in this Article at the latest prior to the next Ordinary Shareholders' Meeting or, if such meeting is held less than four months after the position becomes vacant, prior to the following Ordinary Shareholders' Meeting. Such member of the Supervisory Board will be elected by the Ordinary Shareholders' Meeting for a further period of four years. Until the date of replacement of the member of the Supervisory Board representing employee shareholders, the Supervisory Board may validly meet and deliberate.

The provisions of this Article shall cease to apply when, at the end of a fiscal year, the percentage of the Company's share capital held by the employees of the Company and its affiliates within the meaning of the aforementioned Article L.225-180, within the framework provided by the provisions of the aforementioned Article L.225-102, represents less than 3% of such share capital, provided that the term of office of any member of the Supervisory Board appointed pursuant to this Article shall expire at the end of such term.

1.4. Number of company shares to be owned by each member of the Supervisory Board

Each member of the Supervisory Board must own at least fifty registered shares. Throughout the term of their office, their shares are recorded in the account for direct or intermediary registered shares.

1.5. Age limit

When a member of the Supervisory Board reaches 70 years of age, they remain a member of the Board until the usual conclusion of their term of office. They may then be reelected once, for a two-year term. Application of these provisions may nevertheless not lead to the number of Supervisory Board members exceeding 70 years of age being greater than one third of the Supervisory Board members (individuals or representatives of legal entities).

If the one-third limit noted above is exceeded, and absent the voluntary resignation of a member of the Supervisory Board who is older than 70 years of age, the oldest of the Supervisory Board members shall be deemed to have officially resigned.

2. Organisation and operation of the Supervisory Board

The Supervisory Board is convened and deliberates under the conditions provided for by law.

The Supervisory Board meets as often as the interests of the Company and legal or regulatory provisions require, either at the registered office or at any other location indicated in the convening notice. The summons is made by simple letter or, in case of emergency, verbally or by facsimile. The agenda may be decided only at the time of the meeting. An attendance register is kept and signed by the members of the Supervisory Board attending the Board meeting.

Decisions falling within the Supervisory Board's own powers as provided for in the second paragraph of Article L.225-65, the second paragraph of Article L.225-68, Article L.225-78 and III of Article L.225-103, as well as decisions to transfer the registered office within the same department, may be approved by written consultation with the members of the Supervisory Board. The rules of procedure shall specify the conditions under which such written consultation may be carried out.

3. Remit

The Supervisory Board shall have the remit laid down by law and in particular shall permanently control the management of the Management Board.

It may remove members of the Management Board and fix their remuneration.

Article 10 (a) CENSEUR

The Ordinary General Meeting may appoint Censeurs who may but need not be shareholders of the Company.

The number of Censeurs may not exceed two. Censeurs shall be appointed for a term that may not exceed six (6) years. They shall be eligible for re-election.

The main role of the Censeurs is to ensure the strict application of the By-laws. They shall be called to meetings of the Supervisory Board and take part in discussions in an advisory capacity.

Censeurs may receive remuneration from the annual attendance fee budget granted to the Supervisory Board by the Ordinary General Meeting of shareholders

Article 11 STATUTORY AUDITORS

The Ordinary General Meeting of the shareholders shall appoint at least two Statutory Auditors for the term, under the conditions and with the mission laid down by law.

Alternative Auditors shall also be appointed in accordance with the law.

Statutory Auditors and Alternative Auditors shall be eligible for re-election.

Article 12 GENERAL MEETINGS OF THE SHAREHOLDERS

1. Effect of decisions

Duly convened General Meetings of shareholders shall represent all shareholders. Decisions taken by it in accordance with the law and with the Memorandum and Articles of Association shall be binding on all shareholders, even those who were absent from the meeting in question, unable to act or who voted against the resolution in question.

2. Convening General Meetings

General Meetings of shareholders shall be convened under the conditions laid down by law.

3. Participation

The Shareholders' Meeting is open to all shareholders, regardless of the number of shares they hold.

Every shareholder has the right to participate in the Shareholders' Meetings in the manner provided for by law and regulations.

By decision of the Management Board, shareholders may vote by all means of telecommunication and data transmission, including the internet, as provided by the regulations applicable at the time of use. If applicable, this decision shall be communicated in the Notice of Meeting (*Avis de réunion*) published in the *Bulletin des Annonces Légales Obligatoires* (French journal of legal announcements).

Shareholders voting remotely are considered to be present or represented when they vote by the required deadline using the electronic voting form containing the information stipulated by regulations, which is provided on the website set up by the centralizing agent for the Shareholders' Meeting. If the Management Board so decides at the time the Meeting is called, the electronic form may be completed and signed directly on the website set up by the centralizing agent of the Shareholders' Meeting by any procedure decided by the Management Board that meets the conditions laid down in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, and may include a username and password. The proxy or vote cast electronically before the Shareholders' Meeting, as well as the acknowledgment that is given, shall be considered irrevocable and binding on all, it being

specified that in case of a transfer of share ownership before midnight, Paris time, on the second business day preceding the Meeting, the Company shall invalidate or amend, as appropriate, the proxy or vote cast before that date and time.

Holders of shares for which called payments, duly made and claimable, have not been made within 30 days of receiving formal notice from the Company, may not participate in Shareholders' Meetings. Such shares shall be deducted in calculating the quorum. When the shares are subject to usufruct, the voting right is exercised by the beneficial owner at all Shareholders' Meetings, whether ordinary, extraordinary or special.

Shareholders' Meetings may be held at corporate headquarters or any other place in mainland France.

4. Holding of Shareholder's Meetings

Each member of a General Meeting shall have as many votes as shares he or she owns or represents, in the absence of legal provisions to the contrary.

However, shares that have been paid up in full and which can be shown to have been registered for four years in the name of the same shareholder shall have a voting right that shall be double that granted to other shares.

In the event of an increase in capital by capitalising reserves, profits or share premiums, this double voting right shall be granted to registered shares granted free of charge to a shareholder for existing shares for which he or she had this right, as from the issue of such new shares.

Any share converted to a bearer share or transferred shall lose the double voting right. However, transfer following a death, liquidation of a community of assets by spouses or an inter vivos gift to a spouse or relative entitled to inherit shall not entail the loss of the acquired right and shall not interrupt the above-mentioned time period.

Any merger of the Company with another Company shall have no effect on the double voting right which may be exercised within the absorbing company if the Memorandum and Articles of Association of said company allow this.

General Meetings shall be chaired by the chairman of the Supervisory Board or, in his or her absence, by the vice-chairman or, failing this, by the oldest member of the Supervisory Board.

In principle, the agenda shall be drawn up by the person who issues the convening notice.

The duties of scrutineers shall be performed by the two members of the General Meeting who are present and who accept these duties who have the largest number of votes.

The officers of the meeting shall appoint the secretary, who may but need not be a shareholder.

A presence sheet is established under the conditions provided for by the law.

Deliberations shall be recorded in minutes drawn up in a special register, on numbered and initialled pages held at the registered office, or on loose sheets which shall be numbered and initialled without any discontinuity.

These minutes shall be signed by the officers of the meeting. Copies or excerpts therefrom shall be validly certified by the chairman of the Supervisory Board, the vice-chairman, a member of the Management Board or by the secretary of the General Meeting.

Article 13 ORDINARY GENERAL MEETINGS OF THE SHAREHOLDERS

1. Quorums and majorities

When Ordinary General Meetings of the shareholders are held the first time the General Meeting is convened, they may only take valid decisions if the shareholders present or represented own at least one-quarter of the voting shares.

When such a meeting is convened for the second time, its deliberations shall be valid regardless of the number of shares represented.

Decisions shall be taken by a majority of the votes held by shareholders who are present or represented.

2. Powers

Ordinary General Meetings of the shareholders shall hear the reports of the Management Board and of the Statutory Auditors and shall review the annual financial statements as well as the observations of the Supervisory Board on the Management Board's report and on the financial statements for the financial year.

General Meetings shall discuss, approve, adjust or reject the financial statements and shall fix dividends to be distributed and the amount of the retained earnings to be carried forward.

They shall decide on the creation of any reserve funds. They shall fix the withdrawals to be made therefrom and shall decide on the distribution thereof.

They shall determine the amount of attendance fees. It may remove members of the Management Board from office.

They shall appoint, replace or re-elect members of the Supervisory Board or remove them from office. They shall ratify provisional appointments of members of the Supervisory Board made by said Supervisory Board.

They shall appoint the Statutory Auditors and shall vote, if applicable, on the special report issued by said Auditors in accordance with the law.

They shall decide on all proposals which do not need to be decided solely by Extraordinary General Meetings of the shareholders.

Article 14 EXTRAORDINARY GENERAL MEETINGS OF THE SHAREHOLDERS

1. Powers

Extraordinary General Meetings of the shareholders may amend all the provisions of the Memorandum and Articles of Association and may also decide to convert the Company into a company in another form.

They may only increase shareholders' commitments or undermine the equality of shareholders' rights by a unanimous vote of the shareholders.

2. Quorums and majorities

1) Extraordinary General Meeting may only take valid decisions the first time the General Meeting is convened if the shareholders present or represented own at least one-quarter of the voting shares or, the second time the General Meeting is convened, one-fifth of

the voting shares.

Decisions shall be taken by a majority of two thirds of the votes held by the shareholders present or represented.

- 2) If the subject at issue is deciding or authorising the Management Board to increase the share capital by capitalising reserves, profits or share premiums, the quorum required shall be one-quarter when the meeting is convened for the first time. Decisions shall be valid when the meeting is convened for the second time regardless of the number of shares represented.

Decisions shall be taken by a majority of the votes held by the shareholders present or represented.

- 3) Where the General Meeting is deliberating on approving a contribution in kind or the granting of a special benefit, the contributor or the beneficiary shall not have a vote and nor shall his or her proxy. His or her shares shall not be taken into account in the calculation of the majority.

Article 15 COMPANY FINANCIAL STATEMENTS

The financial year shall start on 1 January and end on 31 December. The distributable profit, as defined by law, shall be available to General Meetings of the shareholders. Unless there is an exception due to statutory provisions, General Meetings of the shareholders shall decide on the appropriation of this profit at their discretion.

General Meetings of the shareholders may also decide to grant each shareholder, for all or some of the dividends to be distributed, a choice between payment of the dividend in cash or in shares, in accordance with statutory and regulatory provisions in force.

Article 16 EARLY DISSOLUTION - EXTENSION

Extraordinary General Meetings of the shareholders may at any time decide to dissolve the Company early or decide to extend the Company's life when it ends.

At least one year before the end of the Company's life, the Management Board shall arrange for an Extraordinary General Meeting of the shareholders to take place for the purpose of deciding whether the Company's life should be extended.

Article 17 SHAREHOLDERS' EQUITY LESS THAN HALF THE SHARE CAPITAL

If, due to losses recorded in accounting documents, the Company's shareholders' equity (*capitaux propres*) falls to less than half the share capital, the Management Board must convene an Extraordinary General Meeting of the shareholders within four months following the approval of the financial statements that showed this loss, for the purpose of deciding whether the Company should be dissolved early.

If it is not dissolved, the Company must reduce its capital by an amount at least equal to that of losses which it has not been possible to offset against reserves no later than at the close of the second financial year after the year in which the losses were recorded, and subject to the statutory provisions relating to the minimum amount of share capital if, within

this time, the shareholders' equity has not been rebuilt to an amount at least equal to half the share capital.

In both these cases, the resolution adopted by the Extraordinary General Meeting of the shareholders shall be published in accordance with the law.

Article 18 LIQUIDATION

When the Company's life ends or if it is dissolved early, the General Meeting of the shareholders shall decide on the method of liquidation and shall appoint one or several liquidators whose powers it shall also determine.

The appointment of liquidators shall end the duties of the Management Board. Throughout the time the Company is being liquidated, the General Meeting of the shareholders shall retain the same powers.

The net proceeds from liquidation after payment of liabilities shall be used first to repay the paid up and unredeemed amount of the shares. The remainder shall be divided between all the shares.

Shareholders shall be invited to a General Meeting at the end of liquidation to decide on the final financial statements, the release to be given to the liquidators for their management, release from their mandate and to record the close of liquidation. These decisions shall be published in accordance with the law.

Article 19 DISPUTES - CHOICE OF ADDRESS FOR SERVICE

All disputes on the subject of Company matters which may arise during the Company's life or when it is liquidated, either between the Company's shareholders and the Company or between the shareholders themselves, shall be referred to the courts with jurisdiction in the place where the registered office is located.