

# Christian Dior

SOCIETAS EUROPAEA WITH SHARE CAPITAL OF 361,015,032 EUROS – RCS 582 110 987 PARIS

30 AVENUE MONTAIGNE  
PARIS  
75008

## **BYLAWS**

Updated on June 30, 2020

## **PART I**

### **LEGAL FORM - CORPORATE NAME - CORPORATE PURPOSE - REGISTERED OFFICE - TERM**

#### **Article 1 - LEGAL FORM**

Christian Dior, first established in the form of a limited liability partnership under the terms of a private agreement entered into on October 8, 1946 in Paris, filed on October 18, 1946 with the clerk of the Paris Commercial Court and published in the *Journal Special des Sociétés Françaises par Actions* of October 18, 1946, was transformed into a *Société Anonyme* without creating a new legal entity, following a decision at the Extraordinary Meeting of Partners held on December 21, 1979.

The Company was then transformed into a European Company ("Societas Europaea" or "SE") by decision at the Extraordinary Shareholders' Meeting of December 9, 2014. It is governed by European Community and national provisions in effect, and by these Bylaws.

#### **Article 2 - CORPORATE PURPOSE**

The Company's purpose, in France and in any other country, is to engage in the following activities:

the taking and management of interests in any company or entity, whether commercial, industrial or financial, whose direct or indirect activity involves the manufacture and/or distribution of prestige products, through the acquisition, in any form whatsoever, of shares, corporate interests, bonds, other securities, or investment rights;

direct or indirect equity investment in any industrial or commercial operations by creating new companies, through contributions, subscriptions or purchases of shares or corporate interests, or by way of a merger, takeover, joint venture, or other method;

more generally, any commercial, financial and industrial activities and those involving real and moveable assets, in such a way as to facilitate, favor or develop the Company's activity.

#### **Article 3 - CORPORATE NAME**

The name of the Company is:

### **CHRISTIAN DIOR**

In all legal instruments or documents issued by the Company and addressed to third parties, this name must always be immediately preceded or followed by the words "Societas Europaea" or the initials "SE", which should appear legibly, and by the disclosure of the amount of the share capital.

#### **Article 4 - REGISTERED OFFICE**

The address of the Company's registered office is 30 avenue Montaigne, 75008 Paris, France.

It may be transferred to any other place in France by decision of the Board of Directors subject to such decision being ratified at the next Ordinary Shareholders' Meeting, and to any other place pursuant to a resolution adopted at an Extraordinary Shareholders' Meeting.

Agencies, branch offices, warehouses, and retail outlets may be established in any place and in any country, by simple resolution of the Board of Directors, which may later relocate or close these entities at its discretion.

#### **Article 5 - TERM**

The term of the Company is ninety-nine years, starting from its date of incorporation, on the eighth day of October, in the year one thousand nine hundred forty-six.

### **PART II**

#### **SHARE CAPITAL - SHARES**

#### **Article 6 - SHARE CAPITAL**

The share capital of the Company is 361,015,032 euros, consisting of 180,507,516 fully paid-up shares with a par value of 2 euros each, all of which belong to the same class.

The Company issued 4,351,808 shares further to the contribution by the various shareholders of Djedi Holding SA of 5,159,349 shares held in absolute ownership and 206,374 shares held in bare ownership in the said company, valued at 1,958,313,600 French francs.

#### **Article 7 - CHANGES IN THE SHARE CAPITAL**

The share capital may be increased or decreased by a resolution adopted at an Extraordinary Shareholders' Meeting, as provided by law.

At the Meeting, the shareholders may resolve to delegate the authority or powers necessary to effect such a change to the Board of Directors.

#### **Article 8 - SHARES**

##### **Payment**

Shares subscribed in cash must be paid up, upon subscription, in an amount equivalent to at least one-quarter of their par value, plus, where applicable, the entirety of the issue premium. The remainder will be called by the Board of Directors within a maximum period of five years.

Payment for shares may be made by offsetting against liquid and payable claims on the Company.

Shareholders are informed of calls for funds at least fifteen days in advance, either by a notice inserted in a legal gazette published where the registered office is located or by registered letter with acknowledgment of receipt sent to each shareholder.

Shares allocated in the form of a contribution in kind or by way of the capitalization of unappropriated retained earnings, reserves or issue premiums as well as shares the amount of which results, in part, from a capitalization of reserves, unappropriated retained earnings, or issue premiums and, in part, from a cash payment, must be fully paid up upon issue.

Any late payment for shares incurs, automatically and without prior formal notice, an interest charge due to the Company, calculated at the legal rate in commercial matters as of the required payment date, plus three percentage points.

##### **Form**

Fully paid-up shares may be in registered or bearer form, at the discretion of the shareholder.

If the owner of the shares is not a French resident within the meaning of Article 102 of the French Civil Code, any intermediary may be registered on behalf of such an owner. Such registration may be made in the form of a joint account or several individual accounts, each corresponding to one owner.

At the time such an account is opened through either the issuing company or the financial intermediary authorized as account holder, the registered intermediary shall be required to declare, under the terms and conditions laid down by decree, its capacity as intermediary holding shares on behalf of another party.

### **Transfer of shares**

Shares are freely negotiable, unless prohibited by applicable laws or regulations, in particular as regards shares with payments in arrears and contributing shares.

Registered shares are transferred via inter-account transfer based on the instructions of the account holder or his or her legal representative.

### **Indivisibility**

Shares are indivisible as far as the Company is concerned. Joint holders of shares must be represented with respect to the Company either by one of the joint holders or by a mutually agreed permanent representative.

### **Rights attached to shares**

Ownership of a share automatically implies acceptance of these Bylaws and of resolutions adopted at Shareholders' Meetings.

Each share entails the right to take part, as provided by law and these Bylaws, in Shareholders' Meetings and in votes on resolutions.

Each share entitles the holder to a share of corporate profits and assets proportional to the number of outstanding shares, in consideration of the par value of the shares.

All shares currently comprising, or that shall comprise in future, the Company's share capital are equivalent for tax purposes. Accordingly, each share entitles the holder, as much during the active existence of the Company as in the event of liquidation, to the payment of the same net amount at the time of any distribution or redemption, such that all taxes or tax exemptions relating to the said distribution or redemption are consolidated, without distinction between the shares.

The liability of shareholders is limited to the amount of their contribution to the Company's share capital.

Under no circumstances may a shareholder's heirs, representatives or creditors apply for seals to be placed on or initiate proceedings against the Company's property and assets, request the division or public sale by auction of the same, nor interfere in any way with the actions of the Company's management. These individuals must refer to the Company's schedules of assets and liabilities and must respect the decisions taken at Shareholders' Meetings.

### **Crossing of shareholding thresholds**

Any legal entity or natural person who comes to possess a number of shares representing more than 1% of the Company's share capital must notify the Company no later than eight days after the crossing of this threshold and each time that a further threshold of 1% is crossed. However, this obligation ceases to apply when the portion of share capital held is equal to or greater than 60% of the Company's share capital.

In the event of a failure to comply with this disclosure obligation, the shares in excess of the percentage that should have been declared are deprived of their voting rights at any Shareholders' Meeting to be held within a period of three months following the date on which proper notification is

made, provided that a request to this effect has been recorded in the minutes of the Shareholders' Meeting by one or more shareholders holding at least 5% of the Company's share capital.

### **Identifying holders of securities**

The Company may, at any time, in accordance with applicable laws and regulations, for a fee it shall pay, which may not exceed the maximum set by France's Minister of the Economy, request, either from the central depository of financial instruments or directly from one or more intermediaries defined by legal and regulatory provisions, information pertaining to the holders of securities conferring immediate or future access to voting rights at its Shareholders' Meetings.

The identification of holders of securities is carried out as provided by law and regulations.

## **PART III**

### **Chapter I: ADMINISTRATION OF THE COMPANY**

#### **Article 9 – MEMBERSHIP OF THE BOARD OF DIRECTORS**

Subject to the exceptions provided by law, the Company is administered by a Board of Directors composed of at least three and no more than eighteen members, appointed by resolution at the Shareholders' Meeting for a term of office lasting three years.

A legal entity may be appointed as a Director but is required, at the time of its appointment, to designate an individual to serve as its permanent representative on the Board of Directors. The term of office of a permanent representative is the same as that of the legal entity Director he or she represents and must be reconfirmed at each renewal of the latter's term of office.

When the legal entity dismisses its permanent representative, it must at the same time provide for its replacement, and must send notification to the Company, by registered letter, of this dismissal as well as the identity of the new permanent representative. The same provision applies in case of death or resignation of the permanent representative.

A Director ceases to hold office at the close of the Ordinary Shareholders' Meeting convened to approve the accounts of the preceding fiscal year and held in the year during which the term of office of the said Director expires.

However, to make the renewal of appointments as balanced over time as possible, and in any event to make them complete for each three-year period, the Board will have the option of determining the order in which Directors' appointments expire by drawing lots at a Board meeting for one-third of its members each year. Once the rotation has been established, renewals will take place according to seniority.

No one over the age of eighty-five may be appointed Director if, as a result of his or her appointment, the number of Directors over this age would exceed one-third of the members of the Board. The number of members of the Board of Directors over the age of eighty-five may not exceed one-third (rounded to the next higher number if this total is not a whole number) of the Directors in office. Whenever this limit is exceeded, the term of office of the oldest Director shall be deemed to have expired at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year during which the limit is exceeded.

The terms of office of Directors may be renewed indefinitely. Directors may be revoked at any time by a resolution adopted at an Ordinary Shareholders' Meeting.

In the event of the death or resignation of one or more Directors, the Board of Directors may make provisional appointments between two Shareholders' Meetings, subject to their ratification at the next Ordinary Shareholders' Meeting.

If the number of members of the Board of Directors falls below the statutory minimum, the remaining Directors must immediately convene an Ordinary Shareholders' Meeting to increase the membership of the Board of Directors.

A Director appointed to replace another serves on the Board only for the remainder of his, her or its predecessor's term of office.

#### **Article 10 - SHARES HELD BY DIRECTORS**

Each Director must own at least two hundred shares of the Company for the entire duration of his, her or its term of office.

If a member of the Board of Directors does not own the required number of shares when appointed, or if the member ceases to own this required number at any point in his, her or its term of office, the member must purchase a sufficient number of shares to arrive at this total within a period of six months, failing which he, she or it will automatically be considered to have resigned.

#### **Article 11 - ORGANIZATION OF THE BOARD OF DIRECTORS**

The Board of Directors elects a Chairman, who must be a natural person, from among its members. It determines the length of his/her term of office, which cannot exceed that of his/her term of office as Director.

The Chairman of the Board of Directors may not be over the age of seventy-five. Should the Chairman reach this age limit during his/her term of office, his/her appointment shall be deemed to have expired at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements of the fiscal year during which the limit was reached. Subject to this provision, the Chairman of the Board may always be re-elected.

In case of temporary disability or death of the Chairman, the Board may temporarily delegate a Director to perform the duties of the Chairman. In case of temporary disability, this delegation is granted for a limited duration and is renewable. In the event of death, it is granted until the election of the new Chairman.

The Board of Directors may also appoint a Secretary, who may or may not be chosen from among the members of the Board.

#### **Article 12 - OPERATING PROCEDURES OF THE BOARD OF DIRECTORS**

1. The Board meets as often as required by the interests of the Company and at least every three months, and is convened by its Chairman on his or her own initiative, or if he or she is not also the Chief Executive Officer, at the request of the Chief Executive Officer or the Director delegated to perform the duties of Chairman.

If the Board of Directors has not met for more than two months, a meeting may also be convened by any group of Directors, representing at least one-third of the members of the Board, who are entitled to specify the agenda of the meeting.

Meetings are held at the registered office or at any other location specified in the convening notice. Board meetings are chaired by the Chairman of the Board of Directors, or by the Director temporarily designated to perform the duties of Chairman or, if unavailable, by another Director selected by the Board of Directors.

Notice is served by any means, at least eight days prior to the meeting; the notice of meeting mentions the agenda of the meeting as set by the person convening the meeting. However, the Board may meet without notice and without an agenda set in advance if all Directors in office are present or represented or when it is convened by the Chairman during a Shareholders' Meeting.

Any Director may give a proxy to another Director, even by letter or cable, to represent him or her and vote on his or her behalf on resolutions of the Board of Directors, for a specific meeting. However, each Director may only represent one other Board member in this manner.

An attendance register is kept and signed by all the Directors attending each meeting.

2. In order for a meeting of the Board of Directors to be validly held, at least half of the Board members must be present or represented.

Directors who participate in Board meetings by means of videoconferencing or other telecommunication methods under the conditions defined by the rules of procedure of the Board of Directors shall be deemed to be present for the purposes of calculating the quorum and majority. However, actual presence or representation shall be necessary for any Board resolutions relating to the preparation of the parent company financial statements and consolidated financial statements, and to the drafting of the management report and the report on Group management.

Decisions are taken by a majority of the votes of members present or represented. In the event of a tie vote, the Chairman's vote is the deciding vote.

The Board of Directors may cast votes in writing on the following matters:

- co-optation in the event of (i) a death, (ii) a resignation, (iii) the number of Directors becoming lower than the minimum required under the Bylaws, or (iv) the Board's gender balance no longer being maintained;
- authorizations of sureties, endorsements and guarantees given by the Company;
- transfer of the Company's registered office within the same French administrative department;
- amendment to the Bylaws to comply with new legal and regulatory requirements;
- convening of Shareholders' Meetings.

The terms and conditions of voting in writing are set out in the Charter of the Board of Directors.

3. Proceedings of the Board of Directors are officially recorded in the form of minutes in a special numbered and initialed minute book kept at the registered office, or on separate sheets, consecutively numbered and initialed.

These minutes are signed by the Chairman of the meeting and by one of the Directors. If the Chairman of the meeting is unavailable, they may be signed by two Directors.

The production of abstracts or copies of the minutes to a meeting is sufficient to provide justification of the number of Directors in office and their presence or representation by proxy at the meeting.

To be valid, copies or abstracts of the minutes of the meeting must be certified by the Chairman of the Board of Directors, a Chief Executive Officer, the Director temporarily delegated to perform the duties of Chairman, or by a representative duly authorized to that effect.

In the event of the liquidation of the Company, these copies or abstracts are validly certified by a single liquidator.

### **Article 13 - POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors sets guidelines for the Company's activities and shall ensure their implementation, in accordance with its corporate interest, taking into account the social and environmental issues facing its business. It also takes into consideration, as appropriate, the Company's mission statement pursuant to Article 1835 of the French Civil Code. Subject to the powers expressly granted to the shareholders at Shareholders' Meetings, and within the limits of

the corporate purpose, the Board addresses any issues relating to the Company's proper operation and settles the affairs concerning it through its resolutions.

In its relations with third parties, the Company is bound even by acts of the Board of Directors falling outside the scope of the corporate purpose, unless it can demonstrate that the third party knew the act exceeded such a purpose or that it could not have been unaware of this fact under the circumstances, it being specified that mere publication of the Bylaws is not sufficient proof thereof.

The Board of Directors performs such monitoring and verifications as it deems appropriate. Each Director receives all necessary information for carrying out his/her duties and may request any documents he/she deems useful.

The Board of Directors shall exercise the powers defined by the law and regulations applicable in France, or delegated or authorized by a Shareholders' Meeting pursuant to said law and regulations; these powers shall include inter alia:

- setting, annually, either an overall limit within which the Chief Executive Officer may undertake commitments on behalf of the Company in the form of sureties, endorsements, guarantees or letters of intent involving an obligation of means; or a maximum amount for each of the above commitments. The decision to exceed the overall limit or the maximum amount set for a commitment may be made only by the Board of Directors. The Chief Executive Officer may delegate all or part of the powers granted to him/her, in accordance with law and regulations;
- the ability to set an annual limit on issues of bonds that may or may not entitle the holder to other bonds or existing equity securities, and to delegate to one or more of its members, the Chief Executive Officer or, with the latter's consent, one or more Group Managing Directors, the necessary powers to carry out and define the terms of bond issues within that limit. The Board of Directors must be notified of any use of such delegation of powers at its next meeting after a bond issue is launched.

Members of the Board of Directors shall be forbidden from divulging any information about the Company, even after their terms of office have ended, where such disclosure may be prejudicial to the Company's interests, except where such disclosure is permitted by current law and regulations or in the public interest.

The Board of Directors may adopt rules of procedure establishing, inter alia, its membership, duties and operating procedures and the responsibilities of its members.

The Board of Directors may also create permanent or temporary special-purpose committees. Such committees may include but are not limited to: a special-purpose Committee to monitor the preparation and auditing of accounting and financial information, a Committee that oversees compensation and a Committee that oversees appointments; a single Committee may oversee both compensation and appointments. Committee membership and responsibilities shall be set forth in rules of procedure adopted by the Board of Directors.

The decisions of the Board of Directors are implemented either by the Chief Executive Officer or by any person specifically appointed by the Board for that purpose.

Furthermore, the Board may grant one of its members or any third parties, whether shareholders or not, any special offices for one or more specific purposes, with or without the option, for the persons so appointed, to themselves delegate, whether in full or in part, the performance of these duties.

#### **Article 14 - DIRECTORS' COMPENSATION**

At the Shareholders' Meeting, the shareholders may resolve to allocate an annual fixed payment to the Directors in compensation for their services, the amount of which is included in the Company's overhead expenses.



The Board of Directors may divide all or a portion of this amount among its members as it deems fit. In particular, it may decide to award a larger portion of the amount to Directors who serve on the Board's committees.

It may also grant exceptional compensation for specific duties or offices assigned to Directors.

These payments are subject to the legal provisions applicable to agreements requiring the prior authorization of the Board of Directors.

#### **Article 14a - ADVISORY BOARD MEMBERS**

Between one and three Advisory Board members may be appointed. They may each be appointed for a term of no longer than three years. They may be reappointed. Their appointment or dismissal is subject to the same rules as those applying to Directors. However, Advisory Board members need not be shareholders and as such are not subject to rules relating to the holding of multiple appointments as Directors or to similar positions.

Advisory Board members are convened to the meetings of the Board of Directors, in which they have a consultative vote.

The compensation paid to Advisory Board members is determined each year by the Board of Directors and deducted from any total amount allocated to the members of the Board of Directors and approved by resolution at the Shareholders' Meeting.

Advisory Board members may be consulted by the Chairman of the Board of Directors on the Group's strategic direction and, more generally, on any issues relating to the Company's organization and development. The Committee Chairmen may also solicit their opinion on matters falling within their respective areas of expertise.

### **Chapter II: MANAGEMENT OF THE COMPANY**

#### **Article 15 - CHAIRMAN - EXECUTIVE MANAGEMENT**

##### **I - Chairman of the Board of Directors**

The Chairman of the Board of Directors chairs Board meetings, organizes and directs the work of the Board, and reports on this work at Shareholders' Meetings. He/she ensures that corporate bodies are functioning properly and, in particular, verifies that the Directors are able to perform their duties.

The Board determines the compensation to be paid to the Chairman.

##### **II - Executive Management**

###### **1 – Choice between the two methods of Executive Management**

The Company's Executive Management function is performed under the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer; the Board of Directors chooses one of these two methods of exercising the Executive Management function. It shall inform the shareholders thereof in accordance with the regulatory conditions.

If the Company's Executive Management function is assumed by the Chairman of the Board of Directors, the following provisions relating to the Chief Executive Officer shall apply to him/her.

## 2 – Chief Executive Officer

The Chief Executive Officer may or may not be chosen from among the Directors. The Board sets his/her term of office and compensation. The age limit for serving as Chief Executive Officer is seventy years. If the Chief Executive Officer reaches this age limit while in office, he/she will automatically be considered to have resigned at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements of the fiscal year during which the limit was reached.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. If the dismissal is decided without just cause, it may give rise to damages, unless the Chief Executive Officer assumes the duties of Chairman of the Board of Directors.

The Chief Executive Officer is vested with the most extensive powers to act under any circumstances on behalf of the Company. He/she exercises such powers within the limits of the corporate purpose, and subject to the powers expressly granted by law to shareholders at the Shareholders' Meeting and to the Board of Directors.

He/she shall represent the Company in its relations with third parties. The Company is bound even by acts of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it can demonstrate that the third party knew the act exceeded such a purpose or that it could not have been unaware of this fact under the circumstances, it being specified that mere publication of the Bylaws is not sufficient proof thereof.

The provisions of the Bylaws or decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not binding on third parties.

## 3 – Group Managing Directors

Upon the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more individuals responsible for assisting the Chief Executive Officer, with the title of Group Managing Director, for whom it shall set the compensation.

There may not be more than five Group Managing Directors serving in this capacity at the same time.

Group Managing Directors may be dismissed at any time by the Board of Directors, upon the proposal of the Chief Executive Officer. If the dismissal is decided without just cause, it may give rise to damages.

If the Chief Executive Officer ceases or is unable to exercise his/her duties, the Group Managing Directors remain in office with the same powers until the appointment of the new Chief Executive Officer, unless resolved otherwise by the Board.

In agreement with the Chief Executive Officer, the Board of Directors sets the scope and duration of the powers granted to Group Managing Directors. With regard to third parties, they shall have the same powers as the Chief Executive Officer.

The age limit for eligibility to perform the duties of Group Managing Director is seventy years. If a Group Managing Director reaches this age limit while in office, he/she will automatically be considered to have resigned at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements of the fiscal year during which the limit was reached.

## **Chapter III: AUDIT OF THE COMPANY**

### **Article 16 - STATUTORY AUDITORS**

The Company is audited by one or more Statutory Auditors appointed by resolution at the Ordinary Shareholders' Meeting.

Statutory Auditors serve for a term of office of six fiscal years, which expires at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the sixth fiscal year.

Statutory Auditors may be removed from office by resolution at the Shareholders' Meeting in the event of negligence or inability.

They are required to attend meetings of the Board of Directors convened to approve the annual financial statements of the preceding fiscal year and the interim financial statements, as well as all Shareholders' Meetings.

The compensation paid to Statutory Auditors is determined in accordance with applicable regulatory procedures.

A Statutory Auditor appointed to replace another serves only for the remainder of his, her or its predecessor's term of office.

## **PART IV**

### **SHAREHOLDERS' MEETINGS**

#### **Chapter I: GENERAL PROVISIONS**

##### **Article 17**

##### **Impact of decisions**

Shareholders' Meetings deemed to be duly convened and held represent all shareholders. Decisions taken during Shareholders' Meetings, in accordance with the law and the provisions of these Bylaws, shall be binding for all shareholders, even those who are absent, indisposed or dissenting.

##### **Convening notices**

Shareholders meet every year, within six months of the end of each fiscal year, at an Ordinary Shareholders' Meeting.

Additional Shareholders' Meetings may be convened at any time during the year, whether as Ordinary Shareholders' Meetings held on an extraordinary basis or as Extraordinary Shareholders' Meetings.

Shareholders' Meetings are convened and held as provided by law.

One or more shareholders who together hold at least 10% of the Company's subscribed share capital may also request that the Board of Directors convene a Shareholders' Meeting, and draw up its agenda.

Convening notices are sent to shareholders at least fifteen days prior to the planned date of the Shareholders' Meeting. This period is reduced to ten days for both reconvened and postponed Shareholders' Meetings.

##### **Attendance**

The Shareholders' Meeting comprises all shareholders, irrespective of the number of shares they own.

The right to attend and vote at Shareholders' Meetings is subject to the registration of the shareholder in the Company's share register.

A shareholder is entitled to attend and vote at any Shareholders' Meeting provided that the shares held are registered in the accounts in the name of the shareholder or intermediary authorized to act on his/her behalf as of 00:00 (midnight), Paris time, two business days prior to the Shareholders' Meeting, either in the accounts of registered shares maintained by the Company or in the accounts of bearer shares maintained by the officially authorized financial intermediary. The registration of bearer shares in the accounts is certified by a statement delivered by the financial intermediary authorized as account holder.

Holders of shares not paid up within a period of thirty calendar days from the issuance by the Company of a formal notice for payment may not attend Shareholders' Meetings. These shares shall be subtracted when calculating the quorum.

A shareholder can always be represented by proxy at a Shareholders' Meeting by another shareholder, his/her spouse, the partner with whom he/she has entered into a *pacte civil de solidarité* (PACS, the French civil union contract), or any other private individual or legal entity of his/her choice. Written notice must be sent to the Company of the appointment of any proxy, and where applicable the rescindment of this appointment.

Shareholders may address their proxy form and/or their voting form for any Shareholders' Meeting, in accordance with applicable laws and regulations, either by mail or, if decided by the Board of Directors, electronically.

Pursuant to the provisions of Article 1316-4, paragraph 2 of the French Civil Code, in the event of the use of an electronically submitted form, the shareholder's signature must involve a reliable identification process that ensures the link with the document to which it is attached.

A shareholder who has voted remotely, sent a proxy or requested an admittance card or certificate stating the ownership of shares may not select another means of taking part in the meeting.

Any shareholder not deprived of voting rights may be appointed as a proxy by another shareholder to represent the latter at a Shareholders' Meeting.

Any intermediary who meets the requirements set forth in paragraphs 7 and 8 of Article L. 228-1 of the French Commercial Code may, pursuant to a general securities management agreement, transmit to a Shareholders' Meeting the vote or proxy of a shareholder, as defined in paragraph 7 of that same article.

Before transmitting any proxies or votes to a Shareholders' Meeting, the intermediary registered pursuant to Article L. 228-1 of the French Commercial Code is required, at the request of the issuing company or its agent, to provide a list of the non-resident owners of the shares to which such voting rights are attached. Such a list is to be supplied as provided by either Article L. 228-2 or Article L. 228-3 of the French Commercial Code, whichever is appropriate.

A vote or proxy issued by an intermediary who either is not declared as such, or does not disclose the identity of the shareholders, may not be counted.

Legal representatives of legally incapacitated shareholders, and natural persons representing shareholders that are legal entities, may take part in Shareholders' Meetings whether or not they personally are shareholders.

Shareholders have as many votes as they hold shares. However, a voting right equal to twice the voting right attached to other shares, with respect to the portion of the share capital that they represent, is granted:

- to all fully paid-up registered shares for which proof can be provided that they have been held in registered form by the same shareholder for at least three years;
- to registered shares allocated to a shareholder, in the event of an increase in the share capital by way of capitalization of reserves, earnings or issue premiums, on the basis of shares already held that bear such entitlement.

This double voting right shall automatically lapse in the case of shares being converted into bearer shares or conveyed in property. However, any transfer by right of inheritance, by way of liquidation of community property between spouses or deed of gift *inter vivos* to the benefit of a spouse or an heir shall neither cause the acquired right to be lost nor interrupt the abovementioned three-year qualifying period. The same shall also apply to any transfer, following the merger or spin-off of a shareholding company, to the absorbing company or the Company benefiting from the spin-off, or, as the case may be, to the new company created as a result of the merger or spin-off.

When a Social and Economic Committee exists within the Company, two of its members, appointed by the Committee, may attend Shareholders' Meetings. At their request, their opinions must be heard on the occasion of any vote requiring the unanimous approval of shareholders.

## **Article 18 - CONVENING AND CONDUCT OF SHAREHOLDERS' MEETINGS**

Shareholders' Meetings are convened as provided by law.

Meetings are held at the registered office or at any other place mentioned in the convening notice.

In accordance with the conditions set by applicable legal and regulatory provisions, and pursuant to a decision of the Board of Directors, Shareholders' Meetings may also be held using videoconferencing or other means of telecommunication that allow shareholders to be identified.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman of the Board of Directors or, in the absence of both of these individuals, by a member of the Board of Directors appointed by the Board for that purpose; if no such appointment has been made, the shareholders at the Meeting elect its Chairman.

In most cases, the agenda of the Meeting is set by the person convening the Meeting.

The role of scrutineer is served by the two shareholders present at the Meeting who have the greatest number of votes and accept this role.

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

An attendance sheet is drawn up and initialed by the shareholders present, and certified as accurate by the officers of the Shareholders' Meeting.

Proceedings of the Shareholders' Meeting shall be officially recorded in the form of minutes in a special numbered and initialed minute book kept at the registered office, or on separate sheets, consecutively numbered and initialed.

These minutes shall be signed by the officers of the meeting. Copies or abstracts of the minutes of the Meeting must be certified in a valid manner by the Chairman of the Board of Directors, by a Director temporarily delegated to perform the duties of the Chief Executive Officer, or by the Secretary of the Shareholders' Meeting.

## **Chapter II: ORDINARY SHAREHOLDERS' MEETINGS**

### **Article 19 - POWERS**

At the Ordinary Shareholders' Meeting, the shareholders hear the reports prepared by the Board of Directors, its Chairman, and the Statutory Auditors; they also review the annual financial statements.

The shareholders at the Shareholders' Meeting discuss, approve, amend or reject the financial statements submitted. They decide upon the distribution and appropriation of profits.

They decide upon any amounts to be allocated to reserve funds. They determine amounts to be withdrawn from reserves and decide upon their distribution.

They set the annual fixed payment allocated to the members of the Board of Directors.

They appoint, replace, re-elect or dismiss Directors.

They ratify any appointments of Directors made on a provisional basis by the Board of Directors.

They appoint the Statutory Auditors and examine their special report, if one is submitted.

They hear all proposals that do not fall within the exclusive remit of the Extraordinary Shareholders' Meeting.

#### **Article 20 - QUORUM AND MAJORITY**

In order to pass valid resolutions, the Ordinary Shareholders' Meeting, convened upon first notice, must consist of shareholders, present or represented, holding at least one-fifth of total voting shares.

When convened upon second notice, the deliberations of an Ordinary Shareholders' Meeting are valid regardless of the number of shares represented.

The resolutions are approved by a majority of validly cast votes. Votes cast do not include votes attaching to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid ballot.

### **Chapter III: EXTRAORDINARY SHAREHOLDERS' MEETINGS**

#### **Article 21 - POWERS**

The shareholders at an Extraordinary Shareholders' Meeting may amend the Bylaws in any of its provisions and may also decide upon the transformation of the Company into a company having any other legal form.

The shareholders at an Extraordinary Shareholders' Meeting may vote to delegate to the Board of Directors the power to make necessary amendments to the Bylaws to harmonize them with legal and regulatory requirements, subject to any such amendments being ratified at the next Extraordinary Shareholders' Meeting.

However, in no event, unless by unanimous decision of the shareholders, may the obligations of the latter be increased, nor may the principle of equal treatment of all shareholders be violated, except in the case of transactions resulting from a duly completed regrouping of shares.

#### **Article 22 - QUORUM AND MAJORITY**

1 - In order to pass valid resolutions, an Extraordinary Shareholders' Meeting, convened upon first notice, must consist of shareholders, present or represented, holding at least one-fourth of total voting shares. The deliberations of an Extraordinary Shareholders' Meeting convened upon second notice or held as a result of the postponement of the Meeting convened upon second notice are valid provided it consists of shareholders holding at least one-fifth of total voting shares.

Resolutions are approved by a two-thirds majority of validly cast votes. Votes cast do not include votes attaching to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid ballot.

2 - When deciding upon or authorizing the Board of Directors to effect a capital increase through the capitalization of reserves, unappropriated retained earnings, or issue premiums, resolutions are passed subject to the quorum and majority conditions of Ordinary Shareholders' Meetings.

3 - A capital increase effected by way of an increase in the par value of shares to be paid up in cash, or through the offsetting of receivables, requires the unanimous approval of shareholders, representing the entirety of shares making up the share capital.

#### **Chapter IV: CONSTITUTIVE SHAREHOLDERS' MEETINGS**

##### **Article 23 - QUORUM AND MAJORITY**

The shareholders at Constitutive Shareholders' Meetings, which are those convened to approve contributions in kind or benefits in kind, may pass valid resolutions subject to the quorum and majority conditions of Extraordinary Shareholders' Meetings specified in the previous article.

At these Meetings, neither the contributor nor the recipient may vote, whether on his/her own behalf or as a proxy. His/her shares shall not be taken into account when calculating the quorum and majority.

#### **PART V**

##### **PARENT COMPANY FINANCIAL STATEMENTS**

##### **Article 24 - FISCAL YEAR**

Each fiscal year lasts twelve months, commencing on the first day of January and ending on the thirty-first day of December of each year.

##### **Article 25 - ACCOUNTING DOCUMENTS**

Regular accounts are kept of the Company's operations in accordance with applicable laws and normal commercial practice.

At the end of each fiscal year, the Board of Directors draws up the schedule of the assets and liabilities existing as of the fiscal year-end, as well as the annual accounts. The amount of commitments in the form of sureties, guarantees or collateral shall be mentioned in the balance sheet.

The Board of Directors also draws up a management report.

All of these documents are made available to the Statutory Auditors in accordance with applicable laws and regulations.

##### **Article 26 - DISTRIBUTABLE EARNINGS**

1 - The net income for each fiscal year, minus general expenses and other expenses incurred by the Company, including all amortization, depreciation and provisions, represents the net profit or loss of the fiscal year.

2 - From the net profit for each fiscal year, minus prior losses, if any, an amount equal to at least one-twentieth must be deducted and allocated to the formation of a "legal reserve". This deduction

is no longer required when the amount of the legal reserve has reached one-tenth of the share capital. It is resumed when, for any reason, the legal reserve falls below this fraction.

3 - Distributable earnings consist of the remaining balance, plus any profits carried forward.

From these distributable earnings:

At the Shareholders' Meeting, the shareholders may vote to deduct such amounts as they deem appropriate, either to be carried forward to the following fiscal year, or to be applied to one or more general or special reserve funds, and they are also entitled to determine the allocation or use of these amounts.

Any remaining balance is to be distributed among all shareholders in the form of a dividend, prorated in accordance with the share capital represented by each share.

At the Shareholders' Meeting convened to approve the fiscal year's financial statements, a resolution may be passed, upon the proposal of the Board of Directors and in relation to all or part of the dividend distributed, to allow each shareholder the choice between payment of the dividend in cash or in shares. The Board of Directors has the same authority for the distribution of interim dividends.

In addition, the shareholders may vote at the Shareholders' Meeting to distribute assets recorded in the balance sheet of the Company and, in particular, securities by deducting amounts from the profits, retained earnings, reserves or premiums. At the Shareholders' Meeting, the shareholders may decide that rights forming fractional shares are to be neither tradable nor assignable. In particular, the shareholders may resolve that, if the portion of the distribution to which the shareholder is entitled is not a whole number in the unit of measure used for the distribution, the shareholder will receive the next lower whole number, in the unit of measure, plus a cash equalization payment.

4 - Except in the case of a capital reduction, no distribution may be made to shareholders when equity is or would subsequently become less than the total share capital.

5 - When a balance sheet, drawn up during or at the end of the fiscal year and certified by a Statutory Auditor, shows that the Company, since the close of the preceding fiscal year, after having made the necessary charges to depreciation, amortization and provisions, and after deduction of prior losses, if any, as well as of the amounts to be allocated to the reserves as provided by law or by these Bylaws, and taking into account profits carried forward, if any, has available earnings, the Board of Directors may resolve to distribute interim dividends prior to the approval of the financial statements of the fiscal year, and may determine the terms thereof notably with regard to the amount and date. These interim dividends may be distributed in cash or in kind, notably in the form of assets from the Company's balance sheet (which may include securities). In the event of an interim distribution in kind, the Board of Directors may decide that fractional rights will be neither negotiable nor transferable. The Board of Directors may notably decide that, when the portion of the distribution to which the shareholder is entitled does not correspond to a whole number in the unit of measure used for the distribution, the shareholder shall receive the whole number, in the unit of measure, immediately below that amount, together with an equalization payment in cash. The amount of such interim dividends cannot exceed the amount of available earnings as defined in this paragraph.



## **PART VI**

### **TRANSFORMATION - DISSOLUTION - EXTENSION - LIQUIDATION - DISPUTES**

#### **Article 27 - TRANSFORMATION**

The Company may be transformed into a company having a different legal form provided that, at the time of the transformation, it has been in existence for at least two years and the balance sheets of its first two fiscal years of existence have been approved by the shareholders.

Any transformation of the Company must be decided upon and published as provided by law.

#### **Article 28 - EQUITY AMOUNTING TO LESS THAN ONE-HALF OF THE SHARE CAPITAL**

If, as a consequence of losses showed by the Company's accounts, the equity of the Company is reduced to below one-half of the share capital of the Company, the Board of Directors must, within four months of the approval of the accounts showing such a loss, convene an Extraordinary Shareholders' Meeting in order to decide whether the Company ought to be dissolved before its statutory term.

If the dissolution is not resolved, the Company must, no later than the end of the second fiscal year following the fiscal year during which the losses were established, reduce its share capital by an amount at least equal to the losses which could not be charged to reserves if, by the conclusion of the aforementioned period, the net assets have not been replenished to an amount at least equal to one-half of the share capital.

In either case, the resolution adopted at the Shareholders' Meeting must be published, in accordance with the law.

#### **Article 29 - PREMATURE DISSOLUTION - EXTENSION**

At an Extraordinary Shareholders' Meeting held at any time, the shareholders may resolve to declare the premature dissolution of the Company or, at the expiration of the Company's term of existence, its extension.

At least one year prior to the expiration of the Company's term of existence, the Board of Directors must convene an Extraordinary Shareholders' Meeting, in order to decide whether the Company's term ought to be extended.

#### **Article 30 - LIQUIDATION**

Upon the expiration of the Company's term of existence or in the event of its premature dissolution, resolutions will be put to a vote at the Shareholders' Meeting to specify the method of liquidation, appoint one or several liquidators, and define their powers.

The appointment of the liquidator(s) relieves the Directors and the Statutory Auditors of any further duties.

During the period of the liquidation, the shareholders retain the same powers at the Shareholders' Meeting as those exercised during the existence of the Company.

The net proceeds of the liquidation, after payment of liabilities, are used first for the repayment of the amount paid up on shares that has not already been repaid to shareholders by the Company, with the balance divided among all the shares.

The shareholders are convened at the end of the liquidation in order to decide on the final accounts, to discharge the liquidators from liability for their acts of management and the

performance of their office, and to formally acknowledge the termination of the liquidation process. The conclusion of the liquidation shall be published as provided by law.

### **Article 31 - DISPUTES - ADDRESS FOR SERVICE**

Any dispute that may arise, during the term of existence of the Company or its liquidation, either between the shareholders and the Company, or among the shareholders themselves, with respect to Company activities, will be referred to the competent courts with jurisdiction over the location of the Company's registered office.

To this end, all shareholders must choose their address for service within the same area of jurisdiction as the registered office and all summons or notices will be duly served at this address.

Where no such address for service is indicated, summons and notices will be duly served before the *Procureur de la République* (French public prosecutor) at the *Tribunal de Grande Instance* (French civil court) that has jurisdiction over the location of the registered office.