

*Free translation – For information purposes only*

## **PIERRE ET VACANCES**

Limited company with capital of € 98,056,410  
Divided into 9,805.641 shares, each with a value of € 10  
Head office: L'Artois – Espace Pont de Flandre –  
11 rue de Cambrai – 75947 Paris cedex 19 France  
Company number 316 580 869 R.C.S. PARIS

## **ARTICLES OF ASSOCIATION**

*(version dated 20 April, 2020)*

### **SECTION I - FORM - PURPOSE - NAME - HEADQUARTERS - DURATION**

#### **ARTICLE 1 - FORM OF THE COMPANY**

Pierre et Vacances is a French Public Limited Company (Société Anonyme) governed by the applicable laws and regulations and by these articles of association.

#### **ARTICLE 2 - PURPOSE**

The purpose of the company is as follows:

- Acquisition of a stake in any company by means of the creation of new companies, contribution, subscription to or purchase of securities or ownership interests, mergers, alliances, joint investments or by any other means, and more particularly in any company whose purpose is:
  - . property marketing and administration,
  - . the purchase, development and/or resale of land and/or the execution of construction programmes,
  - . operation, in any manner, of residences, hotels, motels, empty and furnished premises and/or restaurants of any category; any business involving the organisation and running of breaks, leisure activities and holidays; any direct or indirect stake in any French or other company relating to the above purpose or liable to promote the development thereof,
- Technical, administrative, legal and financial administration of, and assistance to, these companies and their subsidiaries,

- And more generally, all industrial, commercial, financial, tangible and intangible transactions relating directly or indirectly to the above purpose and/or liable to promote the development thereof.

### **ARTICLE 3 - NAME**

The name of the Company shall be:

#### **PIERRE ET VACANCES**

All instruments and documents emanating from the Company destined for third parties, including correspondence, purchase orders, invoices, notices and miscellaneous publications shall, as required by law, specify the company name, preceded or immediately followed by the legible words "Société Anonyme" ('Limited Company') or the initials "S.A." and the amount of its share capital; furthermore, they shall specify the location and registration number of the Company in the Companies Register.

### **ARTICLE 4 - HEAD OFFICE**

The registered head office shall be located at

L'ARTOIS – Espace Pont de Flandre – 11 rue de Cambrai – 75947 PARIS Cedex 19 France.

It may be transferred to another location in the same French 'département' or a neighbouring 'département' following a decision of the Management Board, subject to ratification by the next Ordinary General Meeting, pursuant to applicable law, or to any other location pursuant to a resolution passed by an Extraordinary General Meeting

The Management Board shall be entitled to set up secondary establishments, branches and agencies of the Company in any French 'département' or other country. However this shall in no circumstances result in any waiver of the rules of jurisdiction set forth in these articles.

### **ARTICLE 5 - DURATION**

The term of the Company is hereby established at August 7, 2078, except in the event of advance dissolution or extension.

## SECTION II - SHARE CAPITAL - SHARES

### ARTICLE 6. SHARE CAPITAL

#### **6.1 Composition of share capital**

Share capital is set at ninety-eight million, fifty-six thousand, four hundred and ten Euros (€98,056,410). It is divided into nine million, eight hundred and five thousand, six hundred and forty one (9,805,641) fully paid shares:

- 9,802,887 common shares (**CSO**) of a nominal value of €10 each,
- 738 Class A preference shares (**PRFA**) of a nominal value of €10 each, the characteristics of which are set out in article 7.2 au-dessous,
- 1,349 Class B preference shares (**PRFB**) of a nominal value of €10 each, the characteristics of which are set out in article 7.3 au-dessous,
- 667 Class C preference shares (**PRFC**) of a nominal value of €10 each, the characteristics of which are set out in article 7.4 au-dessous,

May be created, under legal and regulatory conditions, preference shares issued in application of articles L. 228-11 et seq. of the French Code of Commerce and whose special rights are defined in the present statutes.

In the present statutes, the term “share(s)” (in singular or plural form) includes common shares and preference shares and the term “shareholder(s)” (in singular or plural form) includes both the holders of common shares and those of preference shares.

#### **6.2 Changes to share capital**

##### **6.2.1 Increasing share capital**

Share capital can be increased by decision of the Extraordinary General Meeting, either through the increase of the nominal amount of existing shares in the event of the capitalisation of reserves, or through the issuing of new shares in the event of new contributions in cash or in kind; in the event of a capital increase in cash, the shareholders benefit from the preferential right of subscription granted to them by law.

Share capital may be increased by a cash subscription only if the former share capital has been fully paid-up.

At least half the nominal value of shares subscribed in cash at the time of an increase in the share capital shall be paid-up and, where applicable, any issue premium payable by the subscribers shall be paid in full.

Payment of the balance of the shares shall take place in one or more instalments, no later than five years from the date on which the increase in share capital is published in the Companies Register, at the times and under the terms and conditions established by the Board of Directors.

In the event of the issue of shares that are not fully paid-up at the time of subscription, the Company shall have, in order to obtain payment of the non-fully paid-up and called-up fraction of these shares, the right of enforcement of warranty and of the sanctions provided for respectively by articles L. 228-27, L. 228-28 and L. 228-29 of the French Code of Commerce.

#### 6.2.2 Reduction of share capital

Share capital may also be decreased pursuant to a motion passed by the Extraordinary General Meeting.

In the event that the Company's net assets fall below half of the share capital as a result of losses recorded in the accounting documents, the Company Chairman (or Directors) is/are required, within four months following approval of the accounts that revealed this loss, to convene an Extraordinary General Meeting of shareholders for the purposes of deciding, if necessary, whether to continue company operations (in which case, if the net assets have not been reconstituted to a value at least equal to half of share capital by the end of the second financial year following the FY in which the losses were recorded, the share capital must be reduced - subject to that which is stated in article L. 224-2 of the French Code of Commerce - by an amount at least equal to the losses that could not be charged to reserves) or to pronounce the premature dissolution of the Company.

The decision adopted by the meeting must be made public, pursuant to the provisions of articles L. 225-248 and R. 225-166 of the French Code of Commerce.

If losses sustained result in the share capital falling beneath the statutory minimum, it shall be restored to this minimum within the time specified by law (one year) unless, within the same period, the Company has been changed into a Company of another form.

#### 6.2.3 Authorisation to issue

The General Meeting may delegate to the Board of Directors the necessary powers to increase share capital on one or more occasions, pursuant to the provisions of article L. 225-129 et seq. of the French Code of Commerce, by issuing shares or other transferable securities, establishing terms for such issuances, recording their completion and carrying out the related amendments to the statutes.

## **ARTICLE 7. SHARES**

### **7.1 Rights and obligations attached to all shares**

#### **7.1.1 Form of securities**

- (A)** From the moment that they are fully paid, common shares issued by the company are, (subject to the special rights and obligations attached to preference shares), registered or bearer shares, at the discretion of the holder.
- (B)** Preference shares from the company are necessarily registered and cannot be contractually divided.

#### **7.1.2 Identification of the shareholder**

- (A)** Whatever their form, shares are recorded in accounts held under the terms and conditions provided for in article R. 211-1 of the French Monetary and Financial Code.

The Company or the designated agent acting on its behalf, holds the registered share accounts for which the holders have requested subscription, either as “pure” or as “administered” registered shares; concerning the latter, the entries in the accounts are reproduced in the records of the authorised intermediary administering the holders' accounts.

In the event of an agent being designated, the company shall publish a notice in the French Bulletin of Statutory Legal Notices (Bulletin des Annonces Légales Obligatoires) specifying the name and address of this agent.

Shares delivered in bearer form must be held in account by an authorised intermediary.

- (B)** The Company may, under regulatory conditions, request at any time from the organisation responsible for clearing securities, the name or corporate name, nationality and address of the holders of securities conferring immediate or future voting rights in its own Shareholder Meetings, as well as the number of securities held by each of them and, where applicable, the limitations attached to such securities; at the Company's request, the information referred to above may be limited to persons holding a number of securities set by the Company.

#### **7.1.3 Entitlements - indivisibility - social liabilities**

- (A)** Each common share entitles the holder to a share in company profits and assets, in proportion to the percentage of the share capital that it represents. The possession of a share implies full accession of the present statutes and the motions duly adopted by the General Meeting.
- (B)** With regard to the Company, the shares are indivisible; co-owners of shares must be represented by only one among them or by an agent of their choice; in the event of disagreement, the agent shall be appointed by the President of the Trade Court ruling in summary proceedings at the request of the most diligent co-owner.

The voting right is exercised by the owner of the securities pledged, by the beneficial owner at Ordinary General Meetings and by the bare owner at Extraordinary General Meetings.

- (C) Shareholders' responsibility for corporate liability shall not exceed the nominal value of the shares they possess (with the exception of any potential liability with respect to other shareholders or third parties following cancellation by the company in the event of contributions by them and/or particular advantages to their benefit not having been the subject of statutory verification and approval).

## 7.2 Special rights and obligations attached to Class A preference shares

Class A preference shares (PRFA) are preference shares governed by the provisions of articles L. 228-11 et seq. of the French Code of Commerce as well as by the present statutes.

They benefit from the same rights and are subject to the same obligations that are attached to common shares ("CSO"). They also benefit from special rights and are subject to special obligations stipulated in the present article 7.2, which were approved by the Extraordinary General Meeting of 5 February 2020 upon approval by the PRFA holders' Special Meeting of the same day and are therefore in effect since 5 February 2020 (the "**Date of Reference**").

The PRFA are convertible into CSO following the terms stipulated in article 7.2.4 au-dessous. Until they are converted into CSOs, PRFAs are not admitted to trading on a regulated market and must be recorded in a pure registered account.

### 7.2.1 Voting rights

PRFA are devoid of voting rights at Ordinary and Extraordinary common shareholders' Meetings, it being specified nevertheless that they do carry voting rights for special meetings of preference shareholders. PRFA holders gather at special meetings for any proposed changes to the rights attached to PRFA. In addition, pursuant to the provisions of article L.228-17 of the French Code of Commerce, will be submitted for approval to all special meetings concerned, any project for the merger or the disinvestiture of the Company within the framework of which it will not be possible to exchange PRFA shares for shares carrying equivalent special rights.

### 7.2.2 Right to liquidation surplus and right to dividends

In the event of the dissolution of the Company, each PRFA shall entitle the holder to a portion of the liquidation surplus equal to the fraction of the capital that it represents.

PRFA do not entitle their holders to dividend payments.

### 7.2.3 Pre-emptive subscription right

PRFA are deprived of pre-emptive subscription rights for any capital increase in cash through issuance, immediately or in the future, of common shares or preference shares.

### 7.2.4 General principles applicable to the conversion of PRFA

(A) PRFA are convertible into CSO:

- (i) on the initiative of the holder during the sixty (60) days following the Date of Reference ("**Period 1**") according to the terms stipulated in article 7.2.5 au-dessous;

- (ii) if the possibility of conversion has not been exercised during Period 1:
  - (a) in full on 28 February 2022 (the “**Final date**”) according to the terms stipulated in article 7.2.6 au-dessous or
  - (b) during the period between the end of Period 1 and the Date of Reference (“**Period 2**”) in the event of Early Conversion A according to the terms stipulated in article 7.2.7 au-dessous.
- (B) CSO issued as a result of the conversion of PRFA in compliance with the provisions of article 7.2.4(A) au-dessus(i) will carry, as of the date of conversion, the same rights and be subject to the same obligations as all Company CSO and (ii) will be entitled to dividends at the date of conversion.
- (C) If the date decided upon for the conversion of the PRFA into CSO, according either to article 7.2.5, or to article 7.2.6 or to article 7.2.7 au-dessous is set between the publication in the French Bulletin of Statutory Legal Notices (BALO) of a notice for a General Meeting and the holding of said meeting, then the date of conversion will be postponed until the date and conclusion of said General Meeting.
- (D) Without prejudice to the provisions of articles 7.2.5, 7.2.6 or 7.2.7 au-dessous, pursuant to the provisions of article L. 225-12 I of the French Code of Commerce, at the latest during the first meeting following closure of the financial year, the Board of Directors will ascertain, where applicable, the number and the nominal amount of the CSO resulting from the conversion of the PRFA over the course of the previous FY and, if necessary, carry out the necessary amendments to the clauses of the statutes relative to the amount of share capital and the number of shares that compose it.

#### 7.2.5 Conversion of PRFA during Period 1

- (A) From the Date of Reference and throughout Period 1, every holder of PRFA has the possibility of converting all or part of their PRFA into CSO, at A1 Ratio (the “Right of Conversion A”), subject to notifying the Company by recorded letter with acknowledgement of receipt (or any equivalent means) before expiry of the Period 1 (the Notification of Conversion A).  
The Notification of Conversion A must include the number of PRFA concerned by the Right of Conversion A. Failing this, the conversion will be irrefutably and definitively presumed to apply to all the PRFA registered in the account under the name of the holder concerned.  
  
The Notification of Conversion A must be addressed, according to the terms set out above, to the head office for the attention of “Pierre & Vacances SA – Legal Division”.
- (B) In the event of the exercise of the Right of Conversion A by several holders of PRFA, in compliance with the provisions of article 7.2.5 herein, the conversion of PRFA having been subject to a Notification of Conversion A shall be effective on the first day of Period 2.
- (C) The conversion of PRFA having been subject to a Notification of Conversion A over the course of Period 1 will be performed at the rate of one (1) new CSO to be issued for one (1) PRFA converted (“A1 Ratio”) in such a way as the conversion of the PRFA concerned will imply neither increase nor reduction of capital.

**(D)** The Board of Directors is authorised, with the possibility to delegate to the CEO or to the deputy CEO, at the end of Period 1 and at the latest during the first Board of Director's meeting following expiry of Period 1:

- (i) to check the legality of the exercise of the Right of Conversion A,
- (ii) to ascertain the conversion of PRFA, for which the Right of Conversion A has been appropriately exercised, into CSO according to A1 Ratio and as a result, the new distribution of Company share capital,
- (iii) to proceed with the statutory amendments and the required publication formalities and,
- (iv) in general, carry out all necessary steps in connection with the exercise of the Right of Conversion A and its consequences.

#### 7.2.6 Full conversion of PRFA at the end of Period 2

**(A)** Subject to the provisions of article 7.2.7 au-dessous (Early Conversion of PRFA), all PRFA not converted at the end of Period 1 will be fully converted into CSO at the Final Date according to the terms provided under the present article 7.2.6.

**(B)** The conversion ratio of the PRFA outstanding on the Final Date ("A2 Ratio"), that is, the number of new CSO to which all outstanding PRFA are entitled upon conversion on the Final Date, will be obtained by applying the following formula on the Final Date:

$$A2R = NPRFA \div NCSO$$

Where:

- "A2R" refers to A2 Ratio
- "NPRFA" refers to the number of PRFA outstanding on the Final Date
- "NCSO" refers to the number of CSO to be issued, which depends on the average (volume-weighted) market price of Pierre et Vacances shares over the last three (3) months preceding the Final Date ("AWP3") in such a way that:

If	$AWP3 \leq 10 \text{ €}$	then NCSO =	1 476
If	$10 \text{ €} < AWP3 \leq 15 \text{ €}$	then NCSO =	14 760
If	$15 \text{ €} < AWP3 \leq 20 \text{ €}$	then NCSO =	36 900
If	$20 \text{ €} < AWP3 \leq 25 \text{ €}$	then NCSO =	59 040
If	$25 \text{ €} < AWP3 \leq 30 \text{ €}$	then NCSO =	81 180
If	$30 \text{ €} < AWP3 \leq 35 \text{ €}$	then NCSO =	103 320
If	$35 \text{ €} < AWP3 \leq 40 \text{ €}$	then NCSO =	125 460
If	$AWP3 > 40 \text{ €}$	then NCSO =	147 600

The result obtained for A2R will be shortened to two decimal places.

If, for a given PRFA holder, the number of CSO to be received as a result of the application of the A2R to all the PRFA that they own on the Final Date is not an integer,

the number of CSO that they will receive as a result of the conversion of their PRFA will be fully equal to the next lower integer. All PRFA holders irrevocably and definitively waive in advance, without any right to compensation, all rights to possible fractional shares in this hypothesis.

- (C) If A2R is superior to 1, the conversion of PRFA will result in a number of CSO superior to the number of PRFA fully converted by application of A2 Ratio, giving rise to an increase in share capital for an amount corresponding to the difference between the nominal value of all the CSO issued through the conversion of PRFA and the nominal value of all the converted PRFA in question as a result of the conversion.

This increase in share capital will be carried out on the Final Date by capitalisation, up to the nominal amount of the capital increase, of the following unassigned items and in the following order: issue premiums, other reserves or profits.

- (D) If A2R is equal to 1, the conversion of PRFA will be performed at a rate of one (1) new CSO to be issued for one (1) PRFA converted, in such a way as that the conversion will imply neither increase nor reduction of capital.
- (E) The Board of Directors is authorised, with the option to delegate to the CEO or to the deputy CEO, from the Final Date and at the latest during the first Board of Director's meeting following the Final Date:
- (i) to determine the number and the nominal amount of CSO resulting from the conversion of PRFA outstanding on the Final Date and, where applicable, the amount of the immediate subsequent increase in share capital,
  - (ii) where appropriate, to withdraw the amount arising from the capital increase resulting from the conversion of the PRFA on the Final Date from the available reserve accounts or profits, in accordance with the provisions of article 7.2.6(C) au-dessus,
  - (iii) to determine the new distribution of share capital as a result of the conversion of PRFA and carry out the subsequent amendments to the statutes,
  - (iv) to delete the PRFA category once all the PRFA have been converted into CSO and carry out the subsequent amendments to the statutes,
  - (v) to accomplish all the required formalities, and more generally, carry out all necessary steps in connection with the conversion of PRFA and its consequences, in accordance with the provisions of the present article 7.2.6.

#### 7.2.7 Early Conversion of PRFA

- (A) By way of derogation from the provisions of article 7.2.6 au-dessus, the PRFA not converted at the end of Period 1 in compliance with the provisions of article 7.2.5 au-dessus may be prematurely converted ("Early Conversion A"), before the Final Date:
- (i) in full, in the event of a tender and/or exchange offer ("TEO") concerning Company securities and found to comply by the Financial Markets Authority (FMA), according to the terms provided for in article 7.2.7(B) au-dessous;

- (ii) at the initiative of the Company, in the event of the occurrence of Early Conversion over the course of Period 2, in accordance with the terms provided for in article 7.2.7(C) au-dessous.
- (B)** The Early Conversion A provided for in article 7.2.7(A)(i) au-dessus will take place in full on the day of the opening of the TEO, determined in accordance with the provisions of article L. 231-32 of the FMA General Rules (the “Opening Date”).

This Early Conversion A will be performed according to a conversion ratio identical to A2 Ratio, it being specified that for the purpose of this ratio, the Final Date will be the Opening Date.

- (C)** The Early Conversion A provided for in article 7.2.7(A)(ii) au-dessus shall result from the express decision of the Company’s Board of Directors (or, upon delegation, of the CEO or any deputy CEO) made according to the following terms:
- (i) within three (3) months of the observation by the Company's Board of Directors of the occurrence of a case of Early Conversion;
  - (ii) for the totality, and only the totality, of PRFA outstanding on the date of the decision by the Company’s Board of Directors in favour of this Early Conversion A;
  - (iii) through application of a fixed conversion ratio equal to the result of the following formula (after application, where necessary, a shortening to two (2) decimal places) :  $\text{NPRFA} \div 88,560$  (NPRFA referring to the number of PRFA outstanding at the date of the Early Conversion A); if, for a given PRFA holder, the number of CSO to be received as a result of the application of this fixed ratio to all the PRFA that they own on the date of the Early Conversion A is not an integer, will be applied, mutatis mutandis, the provisions of the last paragraph of article 7.2.6(B) au-dessus.

In the present article 7.2, “**Case of Early Conversion**” means the acknowledgement by the Board of Directors of the effective and available funding of the strategic plan to be finalised and announced in the first half of 2020.

- (D)** In the event of Early Conversion A, the provisions of article 7.2.6(C) and of article 7.2.6(D) au-dessus will apply, mutatis mutandis, depending on the situation.
- (E)** Holders of PRFA converted as a result of Early Conversion A will be informed individually by the Company, by all written means, within eight (8) days at most from the date of Early Conversion A.
- (F)** The Board of Directors is authorised, with the option to delegate to the CEO or to the deputy CEO:
- (i) to determine, depending on the situation, the exercise of Early Conversion A provided for in article 7.2.7(A)(i) au-dessus or to decide and implement the Early Conversion A provided for in article 7.2.7(A)(ii) au-dessus pursuant to the provisions of the present article 7.2.7,

- (ii) to determine the number and the nominal amount of CSO issued from Early Conversion A and, where applicable, the amount of the immediate subsequent increase in share capital,
- (iii) where necessary, to withdraw the amount arising from the capital increase, due to the conversion of the PRFA as a result of Early Conversion A, from the available reserve accounts or the profits in accordance with the provisions of article 7.2.6(C) au-dessus,
- (iv) to determine the new distribution of share capital following Early Conversion A and make the subsequent amendments to the statutes,
- (v) to delete the PRFA category once all the PRFA have been converted into CSO and carry out the subsequent amendments to the statutes,
- (vi) to accomplish all the subsequent formalities, and more generally, carry out all necessary steps in connection with the Early Conversion A and its consequences.

### **7.3 Special rights and obligations attached to Class B preference shares**

Class B preference shares (PRFB) are preference shares governed by the provisions of articles L. 228-11 et seq. of the French Code of Commerce as well as by the present statutes.

They benefit from the same rights and are subject to the same obligations that are attached to common shares. They also benefit from special rights and are subject to special obligations stipulated in the present article 7.3, which were approved by the Extraordinary General Meeting of 5 February 2020 upon approval by the PRFB holders' Special Meeting of the same day and are therefore in effect since 5 February 2020 (the "**Date of Reference**").

PRFB are convertible into CSO following the terms stipulated in article 7.3.4 au-dessous. Until they are converted into CSOs, PRFBs are not admitted to trading on a regulated market and must be recorded in a pure registered account.

#### **7.3.1 Voting rights**

PRFB are devoid of voting rights at Ordinary and Extraordinary common shareholders' Meetings, it being specified nevertheless that they do carry voting rights for special meetings of preference shareholders. PRFB holders gather at special meetings for any proposed changes to the rights attached to PRFB. In addition, pursuant to the provisions of article L.228-17 of the French Code of Commerce, will be submitted for approval to all special meetings concerned, any project for the merger or the disinvestiture of the Company within the framework of which it will not be possible to exchange PRFB shares for shares carrying equivalent special rights.

#### **7.3.2 Right to liquidation surplus and right to dividends**

In the event of the dissolution of the Company, each PRFB shall entitle the holder to a portion of the liquidation surplus equal to the fraction of the capital that it represents.

PRFB do not entitle their holders to dividend payments.

### 7.3.3 Pre-emptive subscription right

PRFB are deprived of pre-emptive subscription rights for any capital increase in cash through issuance, immediately or in the future, of common shares or preference shares.

### 7.3.4 General principles applicable to the conversion of PRFB

**(A)** PRFB are convertible into CSO:

- (i) at the initiative of each holder during Period 1 in accordance with the terms provided for in article 7.3.5 au-dessous;
- (ii) if the possibility of conversion has not been exercised during Period 1:
  - (a) in full on the Final Date in accordance with the terms provided for in article 7.3.6 au-dessous or
  - (b) during Period 2 in the event of Early Conversion B according to the terms provided for in article 7.3.7 au-dessous.

**(B)** CSO issued as a result of the conversion of PRFB in compliance with the provisions of article 7.3.4(A) au-dessus (i) will carry, as of the date of conversion, the same rights and be subject to the same obligations as all Company CSO and (ii) will be entitled to dividends at the date of conversion.

**(C)** If the date decided upon for the conversion of the PRFB into CSO, according either to article 7.3.5, or to article 7.3.6 or to article 7.3.7 au-dessous is set between the publication in the French Bulletin of Statutory Legal Notices (BALO) of a notice for a General Meeting and the holding of said meeting, then the date of conversion will be postponed until the date and conclusion of said General Meeting.

**(D)** Without prejudice to the provisions of articles 7.3.5, 7.3.6 or 7.3.7 au-dessous, pursuant to the provisions of article L. 225-12 I of the French Code of Commerce, at the latest during the first meeting following closure of the financial year, the Board of Directors will ascertain, where applicable, the number and the nominal amount of the CSO resulting from the conversion of the PRFB over the course of the previous FY and, if necessary, carry out the necessary amendments to the clauses of the statutes relative to the amount of share capital and the number of shares that compose it.

### 7.3.5 Conversion of PRFB during Period 1

**(A)** From the Date of Reference and throughout Period 1, every holder of PRFB has the possibility of converting all or part of their PRFB into CSO, at B1 Ratio (the "Right of Conversion B"), subject to notifying the Company by recorded letter with acknowledgement of receipt (or any equivalent means) before expiry of the Period 1 (the Notification of Conversion B).

The Notification of Conversion B must include the number of PRFB concerned by the Right of Conversion B. Failing this, the conversion will be irrefutably and definitively presumed to apply to all the PRFB registered in the account under the name of the holder concerned.

The Notification of Conversion B must be addressed, according to the terms set out above, to the head office for the attention of “Pierre & Vacances SA – Legal Division”.

- (B) In the event of the exercise of the Right of Conversion B by several holders of PRFB, in compliance with the provisions of article 7.3.5 herein, the conversion of PRFB having been subject to a Notification of Conversion B shall be effective on the first day of Period 2.
- (C) The conversion of PRFB having been subject to a Notification of Conversion B over the course of Period 1 will be performed:
  - (i) for the PRFB which, on the Date of Reference, had a conversion ratio definitively fixed by application of the conversion procedures in force up to the Date of Reference and greater than 1: according to this conversion ratio (“**Acquired Ratio**”), so that the conversion of the PRFB concerned will entail a capital increase; the provisions of article 7.3.6(C) au-dessous will be applied, mutatis mutandis;
  - (ii) for all the other PRFB: at the rate of one (1) new CSO to be issued for one (1) converted PRFB “**B1 Ratio**”) so that the conversion of PRFB concerned will lead neither to an increase nor a reduction in share capital.
- (D) The Board of Directors is authorised, with the possibility to delegate to the CEO or to the deputy CEO, at the end of Period 1 and at the latest during the first Board of Director’s meeting following expiry of Period 1:
  - (i) to determine the PRFB concerned by the Acquired Ratio,
  - (ii) to check the legality of the exercise of the Right of Conversion B,
  - (iii) to ascertain the conversion of PRFB, for which the Right of Conversion B has been appropriately exercised, into CSO according to, depending on the situation, the Acquired Ratio or B1 Ratio and as a result, the new distribution of Company share capital, and, where applicable, the amount of the immediate subsequent increase in share capital,
  - (iv) where necessary, to withdraw the amount arising from the capital increase, due to the conversion of the PRFB from the available reserve accounts or the profits in accordance with the provisions of article 7.3.6(C) au-dessous,
  - (v) to proceed with the statutory amendments and the required publication formalities and,
  - (vi) in general, carry out all necessary steps in connection with the exercise of the Right of Conversion B and its consequences.

#### 7.3.6 Full conversion of PRFB at the end of Period 2

- (A) Subject to the provisions of article 7.3.7 au-dessous (Early Conversion of PRFB), all PRFB not converted at the end of Period 1 will be fully converted into CSO at the Final Date according to the terms provided under the present article 7.3.6.

- (B) The conversion ratio of the PRFB outstanding on the Final Date (“B2 Ratio”), that is, the number of new CSO to which all outstanding PRFB are entitled upon conversion on the Final Date, will be obtained by applying the following formula on the Final Date:

$$B2R = NPRFB \div NCSO$$

Where:

- “**B2R**” refers to B2 Ratio
- “**NPRFB**” refers to the number of PRFB outstanding on the Final Date
- “**NCSO**” refers to the number of CSO to be issued, which depends on the average (volume-weighted) market price of Pierre et Vacances shares over the last three (3) months preceding the Final Date (“**AWP3**”) in such a way that:

If	$AWP3 \leq 10 \text{ €}$	then NCSO =	1 366
If	$10 \text{ €} < AWP3 \leq 15 \text{ €}$	then NCSO =	13 660
If	$15 \text{ €} < AWP3 \leq 20 \text{ €}$	then NCSO =	34 150
If	$20 \text{ €} < AWP3 \leq 25 \text{ €}$	then NCSO =	54 640
If	$25 \text{ €} < AWP3 \leq 30 \text{ €}$	then NCSO =	75 130
If	$30 \text{ €} < AWP3 \leq 35 \text{ €}$	then NCSO =	95 620
If	$35 \text{ €} < AWP3 \leq 40 \text{ €}$	then NCSO =	116 110
If	$AWP3 > 40 \text{ €}$	then NCSO =	136 600

The result obtained for B2R will be shortened to two decimal places.

If, for a given PRFB holder, the number of CSO to be received as a result of the application of the B2R to all the PRFB that they own on the Final Date is not an integer, the number of CSO that they will receive as a result of the conversion of their PRFB will be fully equal to the next lower integer. All PRFB holders irrevocably and definitively waive in advance, without any right to compensation, all rights to possible fractional shares in this hypothesis.

- (C) If B2R is superior to 1, the conversion of PRFB will result in a number of CSO superior to the number of PRFB fully converted by application of B2 Ratio, giving rise to an increase in share capital for an amount corresponding to the difference between the nominal value of all the CSO issued through the conversion of PRFB and the nominal value of all the converted PRFB in question as a result of the conversion.

This increase in share capital will be carried out on the Final Date by capitalisation, up to the nominal amount of the capital increase, of the following unassigned items and in the following order: issue premiums, other reserves or profits.

- (D) If B2R is equal to 1, the conversion of PRFB will be performed at a rate of one (1) new CSO to be issued for one (1) PRFB converted, in such a way as that the conversion will imply neither increase nor reduction of capital.

- (E)** The Board of Directors is authorised, with the option to delegate to the CEO or to the deputy CEO, from the Final Date and at the latest during the first Board of Director's meeting following the Final Date:
- (i) to determine the number and the nominal amount of CSO resulting from the conversion of PRFB outstanding on the Final Date and, where applicable, the amount of the immediate subsequent increase in share capital,
  - (ii) where appropriate, to withdraw the amount arising from the capital increase resulting from the conversion of the PRFB on the Final Date from the available reserve accounts or profits, in accordance with the provisions of article 7.3.6(C) au-dessus,
  - (iii) to determine the new distribution of share capital as a result of the conversion of PRFB and carry out the subsequent amendments to the statutes,
  - (iv) to delete the PRFB category once all the PRFB have been converted into CSO and make the subsequent amendments to the statutes,
  - (v) to accomplish all the required formalities, and more generally, carry out all necessary steps in connection with the conversion of PRFB and its consequences, in accordance with the provisions of the present article 7.3.6.

#### 7.3.7 Early Conversion of PRFB

- (A)** By way of derogation from the provisions of article 7.3.6 au-dessus, the PRFB not converted at the end of Period 1 in compliance with the provisions of article 7.3.5 au-dessus may be prematurely converted ("Early Conversion B"), before the Final Date:
- (i) in full, in the event of an OPA concerning Company securities and found to comply by the FMA, according to the terms provided for in article 7.3.7(B) au-dessous;
  - (ii) at the initiative of the Company, in the event of the occurrence of Early Conversion over the course of Period 2, in accordance with the terms provided for in article 7.3.7(C) au-dessous.
- (B)** Early Conversion B provided for in article 7.3.7(A)(i) au-dessus will take place in full at the Opening Date.

This Early Conversion B will be performed according to a conversion ratio identical to B2 Ratio, it being specified that for the purpose of this ratio, the Final Date will be the Opening Date.

- (C)** Early Conversion B provided for in article 7.3.7(A)(ii) au-dessus shall result from the express decision of the Company's Board of Directors (or, upon delegation, of the CEO or any deputy CEO) made according to the following terms:
- (i) within three (3) months of the observation by the Company's Board of Directors of the occurrence of a case of Early Conversion;

- (ii) for the totality, and only the totality, of PRFB outstanding on the date of the decision by the Company's Board of Directors in favour of this Early Conversion B;
- (iii) by application of a fixed conversion ratio equal to the result of the following formula:  $\text{NPRFB} \div 81,960$  (NPRFB referring to the number of PRFB outstanding at the date of the Early Conversion B).

In the present article 7.3, "**Case of Early Conversion**" means the acknowledgement by the Board of Directors of the effective and available funding of the strategic plan to be finalised and announced in the first half of 2020.

- (D) In the event of Early Conversion B, the provisions of article 7.3.6(C) and of article 7.3.6(D) *au-dessus* will apply, *mutatis mutandis*, depending on the situation.
- (E) Holders of PRFB converted as a result of Early Conversion B will be informed individually by the Company, by all written means, within eight (8) days at most from the date of Early Conversion B.
- (F) The Board of Directors is authorised, with the option to delegate to the CEO or to the deputy CEO:
  - (i) to determine, depending on the situation, the exercise of Early Conversion B provided for in article 7.3.7(A)(i) *au-dessus* or to decide and implement the Early Conversion B provided for in article 7.3.7(A)(ii) *au-dessus* pursuant to the provisions of the present article 7.3.7,
  - (ii) to determine the number and the nominal amount of CSO issued from Early Conversion B and, where applicable, the amount of the immediate subsequent increase in share capital,
  - (iii) where necessary, to withdraw the amount arising from the capital increase, due to the conversion of the PRFB as a result of Early Conversion B, from the available reserve accounts or the profits in accordance with the provisions of article 7.3.6(C) *au-dessus*,
  - (iv) to determine the new distribution of share capital following Early Conversion B and make the subsequent amendments to the statutes,
  - (v) to delete the PRFB category once all the PRFB have been converted into CSO and make the subsequent amendments to the statutes,
  - (vi) to accomplish all the subsequent formalities, and more generally, carry out all necessary steps in connection with the Early Conversion B and its consequences.

#### **7.4 Special rights and obligations attached to Class C preference shares**

Class C preference shares (PRFC) are preference shares governed by the provisions of articles L. 228-11 *et seq.* of the French Code of Commerce as well as by the present statutes.

They benefit from the same rights and are subject to the same obligations that are attached to common shares. They also benefit from special rights and are subject to special obligations stipulated in the present article 7.4, which were approved by the Extraordinary General Meeting of 5 February 2020 upon approval by the PRFC holders' Special Meeting of the same day and are therefore in effect since 5 February 2020 (the "**Date of Reference**").

PRFC are convertible into CSO following the terms stipulated in article 7.4.4 au-dessous. Until they are converted into CSOs, PRFCs are not admitted to trading on a regulated market and must be recorded in a pure registered account.

#### 7.4.1 Voting rights

PRFC are devoid of voting rights at Ordinary and Extraordinary common shareholders' Meetings, it being specified nevertheless that they do carry voting rights for special meetings of preference shareholders. PRFC holders gather at special meetings for any proposed changes to the rights attached to PRFC. In addition, pursuant to the provisions of article L.228-17 of the French Code of Commerce, will be submitted for approval to all special meetings concerned, any project for the merger or the disinvestiture of the Company within the framework of which it will not be possible to exchange PRFC shares for shares carrying equivalent special rights.

#### 7.4.2 Right to liquidation surplus and right to dividends

In the event of the dissolution of the Company, each PRFC shall entitle the holder to a portion of the liquidation surplus equal to the fraction of the capital that it represents.

PRFC do not entitle their holders to dividend payments.

#### 7.4.3 Pre-emptive subscription right

PRFC are deprived of pre-emptive subscription rights for any capital increase in cash through issuance, immediately or in the future, of common shares or preference shares.

#### 7.4.4 General principles applicable to the conversion of PRFC

**(A)** PRFC are convertible into CSO:

- (i) at the initiative of each holder during Period 1 in accordance with the terms provided for in article 7.4.5 au-dessous;
- (ii) if the possibility of conversion has not been exercised during Period 1:
  - (a) in full on the Final Date in accordance with the terms provided for in article 7.4.6 au-dessous or
  - (b) during Period 2 in the event of Early Conversion C according to the terms provided for in article 7.4.7 au-dessous.

**(B)** CSO issued as a result of the conversion of PRFC in compliance with the provisions of article 7.4.4(A) au-dessus(i) will carry, as of the date of conversion, the same rights and be subject to the same obligations as all Company CSO and (ii) will be entitled to dividends at the date of conversion.

- (C) If the date decided upon for the conversion of the PRFC into CSO, according either to article 7.4.5, or to article 7.4.6 or to article 7.4.7 au-dessous is set between the publication in the French Bulletin of Statutory Legal Notices (BALO) of a notice for a General Meeting and the holding of said meeting, then the date of conversion will be postponed until the date and conclusion of said General Meeting.
- (D) Without prejudice to the provisions of articles 7.4.5, 7.4.6 or 7.4.7 au-dessous, pursuant to the provisions of article L. 225-12 I of the French Code of Commerce, at the latest during the first meeting following closure of the financial year, the Board of Directors will ascertain, where applicable, the number and the nominal amount of the CSO resulting from the conversion of the PRFC over the course of the previous FY and, if necessary, carry out the necessary amendments to the clauses of the statutes relative to the amount of share capital and the number of shares that compose it.

#### 7.4.5 Conversion of PRFC during Period 1

- (A) From the Date of Reference and throughout Period 1, every holder of PRFC has the possibility of converting all or part of their PRFC into CSO, at C1 Ratio (the "Right of Conversion C"), subject to notifying the Company by recorded letter with acknowledgement of receipt (or any equivalent means) before expiry of the Period 1 (the Notification of Conversion C).

The Notification of Conversion C must include the number of PRFC concerned by the Right of Conversion C. Failing this, the conversion will be irrefutably and definitively presumed to apply to all the PRFC registered in the account under the name of the holder concerned.

The Notification of Conversion C must be addressed, according to the terms set out above, to the head office for the attention of "Pierre & Vacances SA – Legal Division".

- (B) In the event of the exercise of the Right of Conversion C by several holders of PRFC, in compliance with the provisions of article 7.4.5 herein, the conversion of PRFC having been subject to a Notification of Conversion C shall be effective on the first day of Period 2.
- (C) The conversion of PRFC having been subject to a Notification of Conversion C over the course of Period 1 will be performed:
  - (i) for the PRFC which, on the Date of Reference, had a conversion ratio definitively fixed by application of the conversion procedures in force up to the Date of Reference and greater than 1: according to this conversion ratio ("7.4.6(C) au-dessous7.4.6(C) below will be applied, mutatis mutandis;
  - (ii) for all the other PRFC: at the rate of one (1) new CSO to be issued for one (1) converted PRFC "C1 Ratio") so that the conversion of PRFC concerned will lead neither to an increase nor a reduction in share capital.
- (D) The Board of Directors is authorised, with the possibility to delegate to the CEO or to the deputy CEO, at the end of Period 1 and at the latest during the first Board of Director's meeting following expiry of Period 1:
  - (i) to determine the PRFC concerned by the Acquired Ratio,

- (ii) to check the legality of the exercise of the Right of Conversion C,
- (iii) to ascertain the conversion of PRFC, for which the Right of Conversion C has been appropriately exercised, into CSO according to, depending on the situation, the Acquired Ratio or C1 Ratio and as a result, the new distribution of Company share capital, and, where applicable, the amount of the immediate subsequent increase in share capital,
- (iv) where appropriate, to withdraw the amount arising from the capital increase resulting from the conversion of the PRFC from the available reserve accounts or profits, in accordance with the provisions of article 7.4.6(C) au-dessous,
- (v) to proceed with the statutory amendments and the required publication formalities and,
- (vi) in general, carry out all necessary steps in connection with the exercise of the Right of Conversion C and its consequences.

#### 7.4.6 Full conversion of PRFC at the end of Period 2

- (A)** Subject to the provisions of article 7.4.7 au-dessous (Early Conversion of PRFC), all PRFC not converted at the end of Period 1 will be fully converted into CSO at the Final Date according to the terms provided under the present article 7.4.6
- (B)** The conversion ratio of the PRFC outstanding on the Final Date ("C2 Ratio"), that is, the number of new CSO to which all outstanding PRFC are entitled upon conversion on the Final Date, will be obtained by applying the following formula on the Final Date:

$$CR2 = NPRFC \div NCSO$$

Where:

- "C2R" refers to C2 Ratio
- "NPRFC" refers to the number of PRFC outstanding at the Final Date
- "NCSO" refers to the number of CSO to be issued, which depends on the average (volume-weighted) market price of Pierre et Vacances shares over the last three (3) months preceding the Final Date ("AWP3") in such a way that:

If	$AWP3 \leq 10 \text{ €}$	then NCSO =	667
If	$10 \text{ €} < AWP3 \leq 15 \text{ €}$	then NCSO =	6 670
If	$15 \text{ €} < AWP3 \leq 20 \text{ €}$	then NCSO =	16 675
If	$20 \text{ €} < AWP3 \leq 25 \text{ €}$	then NCSO =	26 680
If	$25 \text{ €} < AWP3 \leq 30 \text{ €}$	then NCSO =	36 685
If	$30 \text{ €} < AWP3 \leq 35 \text{ €}$	then NCSO =	46 690
If	$35 \text{ €} < AWP3 \leq 40 \text{ €}$	then NCSO =	56 695
If	$AWP3 > 40 \text{ €}$	then NCSO =	66 700

The result obtained for C2R will be shortened to two decimal places.

If, for a given PRFC holder, the number of CSO to be received as a result of the application of the C2R to all the PRFC that they own on the Final Date is not an integer, the number of CSO that they will receive as a result of the conversion of their PRFC will be fully equal to the next lower integer. All PRFC holders irrevocably and definitively waive in advance, without any right to compensation, all rights to possible fractional shares in this hypothesis.

- (C) If C2R is superior to 1, the conversion of PRFC will result in a number of CSO superior to the number of PRFC fully converted by application of C2 Ratio, giving rise to an increase in share capital for an amount corresponding to the difference between the nominal value of all the CSO issued through the conversion of PRFC and the nominal value of all the converted PRFC in question as a result of the conversion.

This increase in share capital will be carried out on the Final Date by capitalisation, up to the nominal amount of the capital increase, of the following unassigned items and in the following order: issue premiums, other reserves or profits.

- (D) If C2R is equal to 1, the conversion of PRFC will be performed at a rate of one (1) new CSO to be issued for one (1) PRFC converted, in such a way as that the conversion will imply neither increase nor reduction of capital.
- (E) The Board of Directors is authorised, with the option to delegate to the CEO or to the deputy CEO, from the Final Date and at the latest during the first Board of Director's meeting following the Final Date:
- (i) to determine the number and the nominal amount of CSO resulting from the conversion of PRFC outstanding on the Final Date and, where applicable, the amount of the immediate subsequent increase in share capital,
  - (ii) where appropriate, to withdraw the amount arising from the capital increase resulting from the conversion of the PRFC on the Final Date from the available reserve accounts or profits, in accordance with the provisions of article 7.4.6(C) au-dessus,
  - (iii) to determine the new distribution of share capital as a result of the conversion of PRFC and carry out the subsequent amendments to the statutes,
  - (iv) to delete the PRFC category once all the PRFC have been converted into CSO and make the subsequent amendments to the statutes,
  - (v) to accomplish all the required formalities, and more generally, carry out all necessary steps in connection with the conversion of PRFC and its consequences, in accordance with the provisions of the present article 7.4.6.

#### 7.4.7 Early Conversion of PRFC

- (A) By way of derogation from the provisions of article 7.4.6 au-dessus, the PRFC not converted at the end of Period 1 in compliance with the provisions of article 7.4.5 au-dessus may be prematurely converted ("Early Conversion C"), before the Final Date:

- (i) in full, in the event of a TEO concerning Company securities and found to comply by the FMA, according to the terms provided for in article 7.4.7(B) au-dessous;
  - (ii) at the initiative of the Company, in the event of the occurrence of Early Conversion over the course of Period 2, in accordance with the terms provided for in article 7.4.7(C) au-dessous.
- (B)** Early Conversion C provided for in article 7.4.7(A)(i) au-dessus will take place in full at the Opening Date.

This Early Conversion C will be performed according to a conversion ratio identical to C2 Ratio, it being specified that for the purpose of this ratio, the Final Date will be the Opening Date.

- (C)** Early Conversion C provided for in article 7.4.7(A)(ii) au-dessus shall result from the express decision of the Company's Board of Directors (or, upon delegation, of the CEO or any deputy CEO) made according to the following terms:
- (i) within three (3) months of the observation by the Company's Board of Directors of the occurrence of a case of Early Conversion, it being understood that if the decision of the Board of Directors is made before 18 April 2021, the date of the Early Conversion C shall be automatically postponed to 18 April 2021;
  - (ii) for the totality, and only the totality, of PRFC outstanding on the date of the decision by the Company's Board of Directors in favour of this Early Conversion C;
  - (iii) by application of a fixed conversion ratio equal to the result of the following formula:  $\text{NPRFC} \div 40,020$  (NPRFC referring to the number of PRFC outstanding at the date of the Early Conversion C).

In the present article 7.4, "**Case of Early Conversion**" means the acknowledgement by the Board of Directors of the effective and available funding of the strategic plan to be finalised and announced in the first half of 2020.

- (D)** In the event of Early Conversion C, the provisions of article 7.4.6(C) and of article 7.4.6(D) au-dessus will apply, mutatis mutandis, depending on the situation.
- (E)** Holders of PRFC converted as a result of Early Conversion C will be informed individually by the Company, by all written means, within eight (8) days at most from the date of Early Conversion C.
- (F)** The Board of Directors is authorised, with the option to delegate to the CEO or to the deputy CEO:
- (i) to determine, depending on the situation, the exercise of Early Conversion C provided for in article 7.4.7(A)(i) au-dessus or to decide and implement the Early Conversion C provided for in article 7.4.7(A)(ii) au-dessus pursuant to the provisions of the present article 7.4.7,

- (ii) to determine the number and the nominal amount of CSO issued from Early Conversion C and, where applicable, the amount of the immediate subsequent increase in share capital,
- (iii) where necessary, to withdraw the amount arising from the capital increase, due to the conversion of the PRFC as a result of Early Conversion C from the available reserve accounts or the profits in accordance with the provisions of article 7.4.6(C) au-dessus,
- (iv) to determine the new distribution of share capital following Early Conversion C and make the subsequent amendments to the statutes,
- (v) to delete the PRFC category once all the PRFC have been converted into CSO and make the subsequent amendments to the statutes,
- (vi) to accomplish all the subsequent formalities, and more generally, carry out all necessary steps in connection with the Early Conversion C and its consequences.

## **7.5 Preference shareholders' special meetings**

- (A)** Special meetings can only validly deliberate if the preference shareholders of the category concerned, present or represented, possess at least, upon first convocation, a third and, upon second convocation, a fifth, of the preference shares carrying voting rights. In the event of change or depreciation of capital, the rights of preference shareholders are adjusted so as to preserve their rights in application of the provisions of article L. 225-99 of the French Code of Commerce.
- (B)** At special meetings of preference shareholders, each preference share grants a right of one vote.

## **ARTICLE 8 - DISPOSAL AND TRANSFER OF SHARES**

Common shares are freely transferable and tradable excepting legal or regulatory provisions.

The sale of common shares operates by transfer from one account to another under the terms provided for by law and regulations.

### **Crossing of thresholds**

In addition to the legal obligation to inform the Company when holding certain fractions of the share capital or voting rights, any individual or entity who, acting alone or in concert, comes to hold, a percentage of the capital or voting rights equal to or exceeding 5 % or a multiple thereof, directly or indirectly, within the meaning of Article L. 223-9 of the French Commercial Code, is required to notify the Company by registered letter with proof of receipt within five trading days of crossing each of these thresholds, indicating the number of voting rights and shares held and the voting rights attached thereto. This notice of the crossing of shareholding thresholds also indicates if the shares or attached voting rights are or are not held on behalf of or in concert with any other individual or entity.

If not disclosed as provided above, the shares that exceed the percentage and should have been disclosed are deprived of voting rights at future shareholders' meetings, if one or more shareholders holding collectively at least 5 % of the Company' s share capital or voting rights so request and the request is recorded in the minutes of the Shareholders' Ordinary Meeting. The deprivation of voting rights applies to all future Shareholders' Meetings until the expiry of a period of two years from the date the disclosure is made.

Any shareholders whose percentage of interest or voting rights in the Company falls below one of the aforementioned thresholds is also required to notify the Company within the same period and in the same manner.

## **SECTION III - ADMINISTRATION AND MANAGEMENT**

### **ARTICLE 9 - POWERS OF THE MANAGEMENT BOARD**

The Management Board shall determine the strategic direction of the company's business and ensure that this is implemented. Subject to the powers expressly assigned to shareholder Meetings and the scope of the purpose of the company, it shall deal with any issue relating to the proper workings of the company, and its resolutions shall govern all business relating thereunto.

With respect to third parties, the company shall be committed by all actions of the Management Board including any which are not consistent with the purpose of the company, unless it can prove that the third party was aware that any such action did not fall within the purpose of the company or that the third party could not be unaware of this given the circumstances, it being specified that the publication of these articles alone does not constitute proof of same.

The Management Board shall carry out all controls and verifications it deems opportune. Each Board Member shall receive all the information required for the performance of their mission and may be supplied with all documentation they deem germane thereto.

Only the Management Board may resolve to set up investigative committees. The Management Board shall also determine the composition of each investigative committee. It may freely choose the members thereof, who may or may not be trustees or shareholders.

### **ARTICLE 10 - COMPOSITION OF THE MANAGEMENT BOARD**

The Management Board shall be composed of no fewer than three and no more than fifteen members, chosen from among the shareholders and appointed for three financial years by the shareholders' General Meeting.

Any legal person who is a shareholder of the Company may be a Board Member provided that it designates a permanent representative who shall be subject to these same terms, conditions and obligations and who shall carry the same civil and criminal liability as if they were a Board Member in their own name.

The mandate of this permanent representative shall run for the same duration as that of the Board Member which is a legal person and shall be confirmed on each renewal of the latter.

In the event of termination of this mandate, death or resignation of the permanent representative, the Board Member which is a legal person shall be required to notify the Company at once, informing the latter of the identity of its new representative.

Board Members who are natural persons shall be required to qualify as regards conflict of interest and/or plurality of offices as specified in law.

The mandate of Board Members shall cease at the end of the shareholders' Ordinary General Meeting, held during the year in which their mandate expires, at which the accounts of the previous financial year are ruled on.

Outgoing Board Members may be re-elected, subject to the age limit specified below for Board Members who are natural persons.

No person may be appointed Board Member if they are aged over 75 and their appointment would result in over one-third of the members of the Board being aged over 75.

Similarly, if as a result of a serving member of the Board attaining the age of 75, the one-third proportion specified above is exceeded, the oldest Board Member shall automatically be deemed to have resigned at the meeting of the next ordinary general meeting.

Should one or several Board Members' seats become vacant, the Management Board may, between two General Meetings, make temporary appointments under the conditions laid down in Article L. 225-24 of the French Commercial Code. The Board Member appointed to replace another one performs his duties for the remainder of his predecessor's term of office.

If there are fewer than three remaining Board Members, the Management Board shall immediately convene the Shareholders' General Meeting in order to make up the Board numbers.

Should the Board fail to proceed with the required temporary appointments or, in the event of temporary appointments, fail to convene the General Meeting in order to ratify these, any interested party may petition the presiding magistrate of the Commercial Tribunal with jurisdiction covering the location of the registered head office to appoint an agent responsible for convening the General Meeting, either to carry out the required appointments or to ratify the provisional appointments made.

#### **ARTICLE 10 BIS - DIRECTORS REPRESENTING EMPLOYEES**

As long as the Company satisfies the provisions of article L. 225-27-1 of the French Code of Commerce, one or two Director(s) representing employees shall be appointed in accordance with the following procedures.

When the number of Directors, calculated pursuant to article L. 225-27-1-II of the French Code of Commerce, is less than or equal to eight, an election shall be organised for employees of the Company and its direct or indirect subsidiaries, whose head office is registered on French territory.

When the number of Directors, calculated pursuant to article L. 225-27-1-II of the French Code of Commerce, is greater than eight, and subject to this criteria always being met on the day of the appointment, a second Director representing employees shall be appointed by the European Employee Representative Committee.

The duration of the mandate for Directors representing employees is set at three years, to run from the date of their election or their appointment, and is renewable.

When the number of Directors, calculated pursuant to article L. 225-27-1-II of the French Code of Commerce, initially greater than eight members, falls below or equal to eight

members, the mandate of the Director appointed by the European Employee Representative Committee is upheld until its term.

The mandate for Directors representing employees may end prematurely under the terms and conditions provided for by law and the present article, and in particular in the event of termination of their employment contract. If the terms of application of article L. 225-27-1 of the French Code of Commerce are no longer fulfilled, the mandate for Directors representing employees comes to an end at the close of the meeting during which the Board of Directors establishes the company's withdrawal from the scope of the obligation.

In the event of a vacancy for any reason whatsoever of a seat of a Director representing employees, the vacant seat shall be filled under the conditions set forth in article L. 225-34 of the French Code of Commerce. Until the date of replacement of the Director(s) representing employees, the Board of Directors may validly meet and deliberate.

The absence of appointment of Directors representing employees by the bodies specified in these statutes, in application of the law and these statutes, shall not affect the validity of the deliberations of the Board of Directors.

#### **ARTICLE 11 - MANAGEMENT BOARD - CHAIRMAN - CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICERS**

The Management Board shall appoint a Chairman from among its members who are natural persons, establishing both the term of their duties (which may not exceed the duration of their mandate as a Board Member), and their remuneration.

The Chairperson may be re-elected any number of times. They may continue to serve until the age of 85. Beyond the age limite, they will be deemed as having resigned. The Chief Executive Officer is subject to the same age limit as the Chairperson.

They shall be responsible for the General Management of the company, carried out either by the Chairman of the Management Board, or by another natural person appointed by the Management Board with the title of Chief Executive Officer.

The Management Board shall choose between the two means of exercising general management specified in the above clause. Shareholders and third parties shall be informed of this decision pursuant to regulatory terms and conditions.

This choice shall be exercised by the Management Board upon any appointment or renewal of its Chairman and/or Chief Executive Officer and shall remain valid until the expiry of one of these mandates.

Subsequently thereto, the Management Board shall vote to determine the manner in which general management is exercised.

If general management of the company is assumed by the Chairman of the Management Board, provisions concerning the chief executive officer shall apply to them.

The Chief Executive Officer may propose that the Management Board appoints one or more Deputy Chief Executive Officers pursuant to statutory terms and conditions. It shall establish the level of their fixed, proportional or mixed remuneration.

The Board shall meet at the registered head office or in any other location within the same municipality, convened by its Chairman, as often as required in the interests of the company. Board Members may also take part in Board meetings by means of videoconferencing or telecommunications, provided these enable them to be identified and make it fully possible for them to take part. Subject to the above, they shall be deemed to be present for calculation of the quorum and majorities. However, this procedure may not be used when taking the following decisions: appointment or dismissal of the Chairman, Chief Executive Officer, or deputy chief executive officers; determination of their remuneration; establishing of annual accounts and the management report; the establishment of consolidated accounts; and the report on management of the group if this is not included in the annual report.

Furthermore, if the Management Board has not met for a period of more than two months, the Chairman shall be required to convene the Management Board to deal with a specific agenda if so requested by at least one third of the members of the Board. The presence of at least one half of the members of the Board shall be required for proceedings to be valid.

Resolutions shall be passed by the majority of members present or represented, with each Board Member having one vote. Votes of Board Members who are represented shall not be taken into account in the calculation of the one-half quorum specified above. (Rights to be represented shall be exercised under the terms and conditions set forth by the regulations concerning application of the law).

The Board shall also appoint a secretary; the latter shall not be required to be a Board Member or shareholder.

Proceedings shall be recorded in minutes kept in a special, numbered and initialled register pursuant to the provisions of legislation in force, signed by the meeting's Chairman and by at least one of the other Board Members in attendance.

Meeting minutes shall specify the names of the Board Members who are present, send apologies or who are absent; it shall record the presence and/or absence of persons convened to the Board meeting pursuant to statutory provisions and the presence of any other person who has attended all or part of the meeting.

Copies and excerpts of these minutes shall be certified by the Chairman of the Management Board or, where appropriate, by the Deputy Chief Executive Officer or Board Member who has been temporarily empowered to carry out the duties of Chairman, or by an attorney-in-fact specifically empowered by the Board for this purpose.

During liquidation, copies and excerpts of minutes of the proceedings of the Board certified by any one liquidator shall be valid.

A copy or excerpt of the relevant minutes shall represent sufficient proof of the number of acting Board Members and their presence.

## **ARTICLE 12 – POWERS OF THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICERS**

### **Chairman of the Management Board:**

The Chairman represents the Management Board. They shall organise and direct the work of the latter and give an account of same to the General Meeting. They shall oversee the proper operation of the company's bodies and in particular, ensure that the Board Members are in a position to perform their duties.

### **Chief Executive Officer:**

The Chief Executive Officer shall have broad powers to act in any instance in the name of the company; they shall exercise these powers consistently with the purpose of the company and subject to those expressly assigned in law to the shareholders' meeting.

Their powers shall include, but are not limited to, the following:

- performing all actions required for achievement of the purpose of the company and its general workings.
- drawing up inventories and accounts to be submitted to the General Meeting, formulating proposals for the allocation of profit and loss and the distribution of corporate profits;
- appointing and terminating any agent or employee of the company and establishing their remuneration, whether fixed or proportional to profits (or to turnover);
- establishing, whether in France or abroad, any workshop, factory, depot, office, agency or branch, moving same or closing same;
- transferring the registered head office within the “département” in which it is currently located or to the neighbouring départements, subject to ratification by the next Ordinary General Meeting;
- concluding agreements and tenders;
- authorising contracts to be concluded between the company and one of its Board Members pursuant to statutory terms and conditions;
- subscribing, endorsing, accepting and paying commercial paper of any kind;
- having any deposit account, current account, collateral deposit account or similar opened for the Company;
- receiving and paying monies;
- granting and accepting leases and tenancies;
- having constructions erected and works performed which are required for company business to proceed;

- borrowing funds under the terms and conditions they deem appropriate;
- buying and selling material and non-material assets;
- taking a stake in any French or other company whose purpose is similar or related to that of this Company;
- constituting guarantees, granting (particularly on corporate assets) mortgages, privileges, security interests, liens, pledges and other tangible and intangible security pledges;
- addressing, settling, negotiating and granting withdrawals and releases with or without a record of payment;
- engaging in legal action of any nature either as a plaintiff or as a defendant.

#### Deputy Chief Executive Officers:

The Chief Executive Officer may propose that the Board appoints one or two natural persons to the position of Deputy Chief Executive Officer: in this capacity, any such persons shall have the same powers as the Chief Executive Officer with respect to third parties.

The position of Deputy Chief Executive Officer may be terminated at any time by the Board following a proposal from the Chief Executive Officer. In the event of death, resignation or dismissal of the latter and except in the event of an express decision to the contrary by the Board, the Deputy Chief Executive Officer shall retain their position and duties until the new Chief Executive Officer has been appointed.

If the Deputy Chief Executive Officer is a Board Member, they may not remain in the former position beyond the end of their mandate as a Board Member.

Holders of the office shall cease to be Deputy Chief Executive Officer on reaching the age of 70, it being specified that they shall continue to exercise their duties until the first meeting of the Management Board following the date on which they attain this age.

No member of the Management Board other than the Chief Executive Officer, or any Board Member appointed to the position of Deputy Chief Executive Officer or having received a temporary mandate due to unavailability of the Chief Executive Officer, may perform the duty of general management of the Company.

However, the Board may grant one or more Board Members or third parties, who may or may not be shareholders, full powers and special mandates for one or more specific purposes, with the option of substitution.

The Management Board shall also set the amount of remuneration of its Chairman, Chief Executive Officer, Deputy Chief Executive Officer (or the Board Member temporarily empowered to perform the duties of Chief Executive Officer for the duration of this empowerment). These may either be fixed or be wholly or partly proportional to profits.

All instruments and documents relating to the Company may be validly signed either by the Chief Executive Officer (or a Board Member acting temporarily in this capacity) or by the

Deputy Chief Executive Officer, or by any special attorney-in-fact, all such persons acting within the limits of their respective powers.

### **ARTICLE 13 - PAYMENTS TO TRUSTEES**

Independently of the salaries of Board Members bound to the Company by means of a contract of employment and the fixed or proportional payments in consideration of the general management duties made to the Chairman of the Management Board, the Chief Executive Officer and, where applicable, a Board Member temporarily exercising the duties of Chairman and remuneration of any Board Member entrusted with a specific mandate, the General Meeting may, in consideration for their work as part of the Board, grant Board Members a fixed annual sum corresponding to board members' fees, under the terms, conditions and limits specified by legislation in force. This sum shall be accounted for as operating expenditure.

These board members' fees shall be distributed by the Board between its members as it deems appropriate.

The Management Board may authorise reimbursement of travel and transport expenses and any expenditure incurred by Board Members in the interests of the Company.

### **ARTICLE 14 - REGULATED AGREEMENTS**

1. Any agreement, entered directly or through an intermediary, between the company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its directors, one of its shareholders holding a percentage of voting rights greater than 10 % or, in the case of a corporate shareholder, its controlling company within the meaning of Article L. 233-3 of the French Commercial Code shall be submitted to the Board of Directors for prior approval.

This shall also apply to agreements in which any of the persons specified in the preceding clause has an indirect interest.

Agreements between the company and any other company shall also be subject to prior authorisation if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the Board Members of the company is the owner, an unlimited-liability shareholder, manager, trustee, member of the supervisory board or, more generally, an officer of this latter company.

The above provisions shall not apply to agreements relating to customary transactions performed in normal circumstances. Nevertheless, any such agreements shall be forwarded by the interested party to the Chairman of the Management Board. The list and subject of all such agreements shall be made known to the members of the Management Board and the Statutory Auditors by the Chairman.

2. The Chairman of the Management Board shall advise the Statutory Auditors of authorised agreements no later than one month following the conclusion thereof.

If performance of the agreements concluded and authorised during the course of previous financial years continues through to the most recent financial year, the Statutory Auditors shall be informed thereof no later than one month after the end of the financial year in question.

The Statutory Auditors shall draft a special report concerning these agreements pursuant to the requirements of article R. 225-31 of the French Commercial Code : this report shall be presented to the Meeting and be ruled on by the latter.

The interested party shall not take part in this vote and their shares shall not be taken into account when calculating the quorum and majority.

3. Except in the event of fraud, approval granted or withheld by the Meeting shall be fully effective with respect to third parties. However, even in the absence of fraud, any adverse consequences for the Company of non-approved agreements may be made incumbent on the Board Member, Chief Executive Officer or other members of the Management Board.

Agreements concluded without prior authorisation of the Board may be annulled if they have had adverse consequences for the Company; alternatively, the absence of authorisation may be disregarded following a special vote of the General Meeting following a special report by the Statutory Auditors.

4. Board Members, in their capacity as natural persons, are prohibited from taking out loans from the Company, receiving permission by it to have an overdraft on an account or obtaining the company's approval or consent with regard to their commitments to third parties, in any manner whatsoever.

The same prohibition shall apply to the Chief Executive Officer, the permanent representatives of legal persons, Board Members and to the spouses, ascendants and descendants of the persons specified in the above paragraph.

## **SECTION IV - STATUTORY AUDITORS**

### **ARTICLE 15 - APPOINTMENT - MISSION**

During the lifetime of the company, the Ordinary General Meeting shall appoint one or more Statutory Auditors and one or more replacement Auditors complying with the relevant legal requirements: they shall be appointed for six financial years and have the mission of permanent control set forth in legislation in force.

Their mission shall expire at the end of the General Meeting which rules on the accounts of the sixth financial year of their mandate.

Auditors may be re-elected.

In the event of misconduct or impediment, they may be dismissed by the Ordinary General Meeting.

Any Statutory Auditor appointed by the Meeting to replace another shall remain in office only until the mandate of their predecessor expires.

If the Meeting fails to elect an Auditor, any shareholder may petition the presiding magistrate of the Commercial Tribunal with jurisdiction for the registered head office, in a ruling following summary proceedings, and the duly summonsed Chairman of the Management Board, to appoint a Statutory Auditor; the mandate granted in this way shall end once the General Meeting has appointed the Auditor(s).

Furthermore, pursuant to article L. 823-6 of the French Commercial Code, one or more shareholders representing at least 5% of the share capital may challenge the appointment of the Statutory Auditor by the General Meeting and, within 30 days following the appointment of the challenged Auditor, petition the presiding magistrate of the Commercial Tribunal to appoint a Statutory Auditor to perform the former's duties in their place. If this petition is upheld, the Statutory Auditor designated thereby may not be dismissed before the normal expiry of their mission, except by the presiding magistrate of the Commercial Tribunal.

Similarly, pursuant to article L. 225-231 of the Commercial Code, one or more shareholders, representing at least 5% of the share capital, may petition the presiding magistrate of the Commercial Tribunal to appoint an Expert to conduct an enquiry and present a report on one or more management operations: this report shall be appended to that drafted by the Statutory Auditor in preparation for the next General Meeting and be published in the same manner.

The Statutory Auditor shall certify that the inventory, general operations account, profit and loss account and balance sheet are in good order and truthful.

To this end:

- their permanent mission shall be to verify the accounts and assets of the Company and the sincerity of the information supplied to shareholders;
- at any time of the year, they shall perform any verifications and controls they deem appropriate, being assisted by the experts and colleagues of their choice as they see fit;
- they shall give an account to the Meeting of their mission and of any irregularities or inaccuracies which they may have observed.
- they shall report any unlawful events of which they may have become aware to the State Prosecutor; except in this regard, they shall be bound by professional confidentiality.

The Auditor shall also act in all cases specified by legislation in force (specifically Articles L. 225-26, L. 225-103, L. 225-135, L. 225-204 and L. 225-244 of the French Commercial Code).

The Auditor (or their replacement, in the event of death, impediment or refusal on the part of the sitting Auditor to continue to perform their mandate) shall be invited to attend the meeting of the Management Board which prepares the accounts for each financial year and all General Meetings, by registered letter with return receipt, observing the notice period specified in legislation in force.

## SECTION V - GENERAL MEETINGS

### ARTICLE 16 - GENERAL RULES

#### 1. Frequency of meetings

Shareholders shall meet at least once a year in an Ordinary General Meeting, on the date and at the time and place specified in the notice to attend, within six months following the closing of the financial year, except if this period is prolonged under the terms and conditions set forth in law.

The Ordinary General Meeting may also be convened extraordinarily.

An Extraordinary General Meeting shall be convened in the event of a change to the articles being called for.

A constitutive Extraordinary General Meeting shall meet when verification of contributions in kind or special privileges are called for.

#### 2. Convening procedures

The General Meetings shall be convened by the Management Board or failing this by the Statutory Auditors, under the terms and conditions set forth in article R. 225-162 of the French Commercial Code, or by an agent appointed by the presiding magistrate of the Commercial Tribunal following summary proceedings or by any other interested party in the event of emergency, or by one or more shareholders representing at least 5% of the share capital.

Notices to attend shall be by means of a notice published in one of the approved journals for the publication of legal notices within the Département of the registered head office. Shareholders with registered shares shall be invited to attend by personal letter; at their request, this may be sent by registered post if they advance the costs thereof.

If all shares are registered, the published notice specified in the preceding clause may be replaced by a notice to attend dispatched at the company's expense by registered letter addressed to each shareholder.

The period between the most recent of these letters (or the publication in a journal of legal notices of the notice of meeting serving as a notice to attend) and the date of the Meeting shall be equal to no fewer than thirty days for the first notice to attend and no fewer than six days for any following notices.

### 3. Agenda

The agenda shall be set by the person issuing the notice to attend. Notwithstanding the above, one or more shareholders representing at least 5% of the share capital shall be entitled to require draft motions, concerning business other than the presentation of candidates to the Management Board, to be included on the agenda subject to the terms and conditions of articles R. 225-71 and R. 225-74 of the French Commercial Code. In order to allow them to exercise this option, shareholders who so request shall be advised of forthcoming Meetings pursuant to the procedures and within the period specified in article R. 225-73 of the French Commercial Code.

If a Meeting is not quorate and therefore unable to pass resolutions, a second Meeting shall be convened in the same way as the first, with the notice to attend specifying the date of the previous Meeting. The agenda of the Meeting may not be changed on the second notice to attend.

The Meeting may not vote on business which has not been included on the agenda.

### 4. Information to shareholders

Prior to any meeting, shareholders shall be informed in the following manner:

- a) Dispatch, following their request for the agenda of the Meeting, of draft resolutions, notices concerning the Board Members, the documents and tables specified by law regarding company accounts, the report of the Management Board and, for Extraordinary Meetings, the report of the Statutory Auditors to be presented to the Meeting where applicable.
- b) Making available to shareholders, within the periods specified by law, at the registered head office, the above documents plus the company inventory, the list of shareholders, details of the overall amount of remuneration paid to the five or ten persons with the highest remuneration in the Company and the Statutory Auditors' reports.

### 5. Participation and voting in General Meetings

Any shareholder, regardless of the number of shares they hold, may participate in person or by proxy in the Shareholders' Meetings as provided by law. The right to participate in the Shareholders' Meetings is subject to the registration of their shares two (2) business days before the date of the Shareholders' Meeting at midnight, Paris time, either in the registered share accounts maintained by the Company, or in the bearer share accounts maintained by an authorised intermediary. In the latter case, the authorised intermediary must provide a shareholder certificate to that effect.

Shareholders can, under the conditions and within the deadlines laid down by law and in the regulations, send their proxy by any means of remote transmission (including electronically). When use is made of such means, the electronic signature may take the form of a process that meets the conditions laid down in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code. The proxy of a shareholder at the

meeting may be revoked in the same forms as those required to appoint the representative.

If the Management Board so decides, shareholders may take part in the Meeting by means of videoconferencing and vote by any means of telecommunication or teletransmission, including the Internet, under the terms and conditions set forth in applicable regulations at the time these means are used. Notice of any such decision shall be included in the notice of the meeting published in the Bulletin of Statutory Legal Notices (BALO).

Any shareholder may vote by correspondence, using a form which shall be dispatched to them under the terms and conditions set forth in the notice to attend the Meeting and those specified by law. For the purposes of calculation of the quorum and the majority, shareholders taking part in the Meeting by videoconference or any other means of telecommunication enabling them to be identified pursuant to the terms and conditions set forth in the Decree, shall be deemed to be present.

In the event of partition of ownership of a share, only the holder of the voting rights may take part in or be represented at the Meeting.

Co-owners of undivided shares shall be represented at the General Meeting by one of their number or by a single agent who, in the event of dispute, shall be designated by the presiding magistrate of the Commercial Tribunal in a ruling following summary proceedings at the request of the most diligent co-owner.

Legal representatives of shareholders who are legally incapable and natural persons representing legal persons who are shareholders shall take part in the Meeting, irrespective of whether they personally are shareholders.

#### Double voting rights

The voting right attached to common shares is proportional to the capital that they represent. For equivalent face value, each common share of capital or dividend share grants the right of one vote. A voting right double that which is conferred to other common shares, with regards to the portion of share capital that they represent, is allocated to all fully paid common shares for which a nominative registration can be proven, for at least two years, in the name of the same shareholder.

In the event of an increase in capital due to the integration of provisions, profits or issue premiums, the double right of vote is conferred, upon issuance, to registered common shares allotted free of charge to a shareholder on the basis of old common shares for which they enjoy this right.

All common shares converted to the holder or transferred in property lose the double voting right. Nevertheless, transfer subsequent to inheritance, the liquidation of assets between spouses or the inter vivos donation to a spouse or a relative entitled to inherit, does not incur the loss of the acquired right and does not interrupt the terms provided for at article L.225-123 of the French Code of Commerce. The same goes for transfer following a merger or a scission of a shareholder company.

6. *Executive Committee of the Meeting*

The General Meeting shall be chaired by the Chairman of the Management Board or else by a Board Member appointed for this purpose by the Board if the latter has issued a notice to attend; otherwise, by an individual appointed by the Meeting; it shall be chaired by the Statutory Auditor, the court-appointed agent or by the liquidator if any of the above issued the notice to attend.

The duties of scrutineer shall be carried out by the two members of the Meeting with the largest number of votes who agree to perform them. The Executive Committee shall appoint a secretary who may or may not be a shareholder.

An Attendance Sheet including the wording and details specified by legislation in force shall be kept; this attendance sheet shall be signed by the shareholders and certified as accurate by the members of the Executive Committee.

Proceedings of the General Meeting shall be recorded in minutes containing all the details set forth in existing legislation and consigned in a special register kept in the same manner as that of the proceedings of the Management Board; these shall be signed and certified as accurate by the Chairman of the Management Board or by a Board Member performing the duties of Chief Executive Officer; they may be properly signed and certified as accurate by the secretary of the Meeting.

7. *Miscellaneous provisions*

When properly constituted, the General Meeting shall represent the body of shareholders; its resolutions, passed pursuant to law and its articles, shall be binding on all shareholders including any who are absent, in disagreement or are legally incapable.

**ARTICLE 17 - ORDINARY GENERAL MEETINGS**

1. To be entitled to pass resolutions, an Ordinary General Meeting shall comprise a number of shareholders representing at least one fifth of the shares with voting rights; failing this, the Meeting shall be reconvened. Resolutions passed in this second meeting shall be valid irrespective of the number of shares present or represented; they may deal only with the items on the agenda of the first meeting. Resolutions shall be adopted on the basis of a majority of the votes held by shareholders who are present or represented.
2. The Ordinary General Meeting shall exercise the powers assigned to it by legislation in force; in particular, it shall hear reports from the Management Board and the Auditors; it shall debate, ratify or amend the accounts, decide on the use of profits, establish dividends and board members' fees, appoint or dismiss Board Members and Auditors, ratify their mission, ratify any co-opted Board Members, rule on agreements passed between the Company and its officers, entrust the Management Board with all necessary permissions and discuss any proposal which has been properly included on

the agenda and which does not fall within the remit of the Extraordinary General Meeting.

#### **ARTICLE 18 - EXTRAORDINARY GENERAL MEETINGS**

1. Extraordinary General Meetings shall be properly constituted and entitled to pass resolutions only if the shareholders present or represented possess at least one quarter of shares with voting rights when the meeting is first convened or one fifth in the event of a second meeting needing to be convened.

Resolutions shall be adopted on the basis of a two-thirds majority of the votes held by shareholders who are present or represented.

2. The Extraordinary General Meeting may amend all provisions of the Articles of Association provided it does not increase the liabilities of shareholders (except the purchase of fractions of shares in the event of reverse share splits, capital increases or reductions, mergers or de-mergers).

It may, in particular, change the nationality of the company subject to the conditions stipulated by law, amend the corporate purpose, reduce or increase its share capital, extend or limit the term of the Company, and decide on its merger with or de-merger from one or more companies.

The Extraordinary General Meeting may also wind the Company up early or change it into a commercial company of any other form subject to the conditions established in article 1 of these articles and those set forth law (articles L. 225-243 and L. 225-245 of the Commercial Code).

## **SECTION VI - ACCOUNTS - ALLOCATION AND DISTRIBUTION OF PROFITS**

### **ARTICLE 19 - COMPANY ACCOUNTS**

The company year shall run from the first of October of each year to the thirtieth of September of the following year.

At the end of each financial year, the Management Board shall be responsible for having drawn up an inventory of the company's assets and liabilities and annual accounts (balance sheet, profit and loss account and appendices) which shall be made available to the Auditors no later than forty-five days prior to the Meeting and to the shareholders as set forth in article 16 heretofore, pursuant to legislation in force.

The report on transactions in the financial year and the situation of the Company shall be made available to the Auditors no later than twenty days prior to the Meeting.

The Meeting shall be notified of any change in the presentation of accounts documents and appraisal methods in the Board's report which have been approved by the former.

The total amount of commitments approved, endorsed or guaranteed shall be specified at the end of the balance sheet.

### **ARTICLE 20 - PROFITS - PAYMENT OF SHARE DIVIDENDS**

The financial year's net earnings, less general expenditure and other charges for the Company, including depreciation and provisions, shall constitute the net profit or loss for the financial year.

At least one twentieth of the net profit, less any prior losses, shall be set aside to constitute the reserve fund specified by law known as the "statutory reserve", until such time as this fund no longer amounts to less than one tenth of the share capital.

The balance, plus any profits carried forward, shall constitute the profit which is distributable to shareholders.

The General Meeting may set aside any amount it deems fit to establish, either to be carried forward to the following financial year or to be assigned to one or more general or special reserve funds of which it shall determine the destination or use.

Furthermore, the General Meeting may decide to distribute monies withdrawn from the reserves available to it; in this event, any such resolution shall explicitly specify the nature of the reserves from which these withdrawals are made.

For all or part of a distributed dividend, the General Meeting may grant each shareholder the option either of receiving the dividend payment in shares as permitted by law or in cash.

## **TITRE VII - DISSOLUTION - LIQUIDATION - DISPUTES**

### **ARTICLE 21 - DISSOLUTION - LIQUIDATION**

On expiry of the term established in the articles or in the event of advance dissolution for any reason whatsoever, the General Meeting or, where applicable, the Commercial Tribunal, shall decide on the mode of liquidation, appoint the liquidator(s) and establish their powers, all within the limits and conditions and subject to the publication and other obligations specified by legislation in force.

Liquidators shall be appointed for a duration of three years, renewable.

Subject to the restrictions set forth in articles L. 237-6 and L. 237-7 of the Commercial Code, they shall have broad powers to realise all assets of the Company and extinguish its liabilities, including by means of amicable settlement. If so resolved by the Extraordinary General Meeting, they may make a contribution of or grant the transfer of all assets, rights, shares and obligations of the dissolved Company.

The net earnings from the liquidation after settlement of liabilities shall be used to repay paid-up and non-depreciated share capital; any surplus shall be distributed between the shareholders in cash or securities.

At the end of liquidation, the shareholders shall be convened to rule on the final statement of accounts, ratify the liquidator's management, sign off on the latter's mandate and record the closure of liquidation.

Failing this, any shareholder may engage legal proceedings in order for an agent to be appointed to convene this meeting.

### **ARTICLE 22 - DISPUTES**

Any dispute which may arise during the lifetime of the Company or during its liquidation, either between shareholders and the Company or between shareholders themselves with regard to the business of the company, shall be subject to the jurisdiction of the competent courts for the registered head office.

To this end, in the event of a dispute, shareholders shall elect domicile within the same jurisdiction as the registered head office; writs and notices shall be properly served to this domicile.

If domicile is not elected, writs and notices may be properly served at the Office of the Public Prosecutor of the Court of the First Instance with jurisdiction for the territory within which the registered head office is located.

## **ARTICLE 23**

For any matters not expressly set forth in these articles, shareholders shall refer to existing and future legal and regulatory provisions, which, inasmuch as these are binding and relate to public order, shall be deemed to be implicit.

- END OF ARTICLES -

These articles were signed on May 15, 1979.

They were amended on May 29, 1990, October 25, 1991, September 10, 1992, October 9, 1995, May 31, 1996, September 26, 1996, March 27, 1998, December 28, 1998, January 29, 1999, February 18, 1999, June 7, 1999, July 12, 1999, April 1, 2001, December 14, 2001, February 18, 2002, March 20, 2002, February 24, 2003, October 3, 2003, January 27, 2004, March 11, 2004, March 29, 2004, June 8, 2004, December 7, 2004, January 26, 2005, April 25, 2005, June 7, 2005, December 6, 2005, March 2, 2006, June 6, 2006, September 4, 2006, January 9, 2007, May 29, 2007, September 22, 2007, February 14, 2008, January 12, 2009, February 12, 2009, May 26, 2010, March 3, 2011, March 5, 2015, March 30, 2016, February 9, 2018, February 7, 2019, April 18, 2019, February 5, 2020, April 20, 2020.