ARTICLES OF ASSOCIATION

Updated on 4 July 2019

Copy certified by the Chairman and Chief Executive Officer
CHAPTER I
FORM – COMPANY NAME – OBJECTS – REGISTERED OFFICE – DURATION

ARTICLE 1. FORM OF COMPANY

ARKEMA (the “Company”) is a French limited liability company (société anonyme) subject to current laws and regulations and to these Articles of Association.

ARTICLE 2. COMPANY NAME

The Company’s name is: ARKEMA

ARTICLE 3. CORPORATE PURPOSE

The Company’s corporate purpose is, directly or indirectly, in any country:

- to carry out all operations directly or indirectly relating to research, production, processing, distribution and marketing of all chemical and plastic products and their derivatives, by-products thereof and of all parachemical products;

- to acquire, hold and manage all securities, negotiable or otherwise, in French and foreign companies, through newly-created companies, contributions, limited partnerships, or by subscribing for or purchasing securities or corporate rights, or through mergers, combinations, joint venture companies or by obtaining the use of any property or rights under a lease, lease-management agreement or by dation, or otherwise; and

- more generally, to enter into all financial, commercial, industrial, real or personal property transactions that may be directly or indirectly related to any of the objects referred to above or to any other similar or connected objects, and designed to promote the Company’s purpose, expansion or development.

ARTICLE 4. REGISTERED OFFICE

The registered office is at: 420 rue d'Estienne d'Orves – 92700 Colombes.

The registered office may be moved under and in accordance with the provisions of law.

In the event that the Board of Directors decides to move the registered office under and in accordance with the provisions of law, the new address shall be substituted for the old address in this article.

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ARTICLE 5. DURATION

The company is incorporated for a period of 99 years as from the date of its registration with the Trade and Companies Registry (Registre du Commerce et des Sociétés). The Company will therefore cease to exist on 31 January 2102, unless wound-up early or such period is extended.

CHAPTER II
SHARE CAPITAL—SHARES

ARTICLE 6. SHARE CAPITAL

The share capital is set at an amount of seven hundred sixty-six million two hundred and forty-two hundred and two thousand (766 242 200) euros divided into seventy-six million six hundred and twenty-four thousand two hundred and twenty (76 624 220) shares, all fully paid up and of the same category.

The par value of the shares can be obtained by dividing the amount of the share capital by the number of shares.

The share capital may be increased or reduced by collective decision of the shareholders under and in accordance with the law and these Articles of Association.

ARTICLE 7. FORM AND TRANSFER OF SHARES

Shares may be held in registered or bearer form, as required by the shareholder, unless otherwise provided by laws and regulations.

The shares are freely negotiable. They are registered in an account and are transmitted by a transfer from one account to another, under and in accordance with applicable laws and regulations.

ARTICLE 8. IDENTIFICATION OF SHAREHOLDERS - CROSSING OF THRESHOLD DISCLOSURE

8.1. Identification of shareholders

The Company may at any time make use of all applicable laws and regulations to identify the holders of securities that confer immediate or future voting rights in its own general meetings.

For purposes of identifying the holders of shares in bearer form, the Company has the right, under and in accordance with applicable laws and regulations, to request at any time, at its own expense, that the central depository in charge of its securities issue account, provide the name or company name, nationality, year of birth or of incorporation and the address of the holders of securities giving immediate or future access to voting rights at its general meetings as well as the number of securities held by each of them and any restrictions that may apply to such securities.
If such information is not received within the period of time stipulated by applicable regulations or if the information provided by the custodian account-holder is incomplete or erroneous, the central depository may request that the president of the district court (président du Tribunal de Grande Instance) order such information to be provided in a summary proceeding (en référé).

The information obtained by the Company cannot be transferred thereby, even at no charge, subject to the criminal sanctions provided by article 226-13 of the French Penal Code (Code Pénal).

Under the conditions specified by applicable laws and regulations (particularly those concerning time limits), the intermediary registered on behalf of holders of securities in registered form who are not domiciled on the French territory is required to reveal the identity of the holders of such securities and of the number of securities held by each, at the request of the Company or of its representative, which may be submitted at any time.

As long as the Company deems that certain holders of securities in bearer form or in registered form whose identity has been communicated to the Company hold such shares on behalf of third parties, it has the right to request such holders to reveal the identity of the owners of these securities and the number of securities of each such owner under the conditions indicated above. When a person who has received a request in accordance with the foregoing provision fails to provide the information thus requested within the time specified by laws and regulations, or has provided incomplete or erroneous information either on his own capacity, or on the owners of the securities, or on the number of securities held by each, the shares or securities giving immediate or future access to the share capital and for which that person was registered shall be disqualified for voting purposes at any general meeting that may be held until the date on which all such information is made accurate, and payment of the corresponding dividend shall be postponed until such date.

Moreover, in the event that a registered person should knowingly fail to comply with the above provisions, the court having jurisdiction in the territory of the Company’s registered office may, at the request of the Company or of one or more shareholders holding at least 5% of the share capital, partially or completely disqualify the relevant shares from voting and potentially from receiving the dividend, for a total of no more than five years.

Furthermore, without prejudice to the disclosure requirements set forth in article 8.2 of the Articles of Association, the Company may ask any legal entity that holds shares in the Company for more than one-fortieth of the share capital or voting rights to disclose the identity of persons who directly or indirectly hold more than one-third of the share capital or of the voting rights which are liable to be exercised at general meetings of such legal entity.

8.2. **Statutory crossing thresholds**

In addition to the legal obligation to notify the Company of their holding of certain percentages of the share capital or voting rights, any individual or legal entity, acting alone or in concert, that shall come to own, within the meaning of articles L. 233-9 and 233-10 of the Code de Commerce, directly or indirectly, 1% or more of the share capital or voting rights, is required to notify the Company thereof by registered letter with return receipt stating the total number of shares, voting rights and securities giving future access to the capital and of voting rights attached thereto that it holds, alone or in concert, directly or indirectly, within five trading days from the date on which it crosses this threshold.

Above this 1% threshold and up to 30%, this disclosure requirement must be fulfilled under the conditions set forth above, each time the shareholder crosses a multiple of 0.5% of the share capital or voting rights.
Failure to disclose these thresholds as set forth in the first two paragraphs above shall result in those shares that should have been disclosed being disqualified for voting purposes at general meetings, if so requested at a meeting by one or more shareholders separately or together holding at least 3% of the Company’s share capital or voting rights.

All shareholders, whether individuals or legal entities, must also notify the Company in the manner and within the time limits indicated in the first two paragraphs above, whenever their direct, indirect or joint holdings fall below any of the thresholds mentioned in the said paragraphs.

ARTICLE 9. RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

In addition to the right to vote, each share gives the holder the right of ownership of a portion of the Company’s assets, its profits and winding-up dividends (bons de liquidation), determined proportionately to the shareholding it represents.

Ownership of one share entails compliance with the Articles of Association of the Company and with all resolutions approved by the Company’s shareholders at general meetings.

Whenever it is necessary to own a number of shares to exercise a given right, in the event, notably, of an exchange, consolidation, division, allotment of shares, or as a result of a share capital increase or reduction, merger, spin-off or partial business transfer, distribution or any other operation, any shareholder with an insufficient number of shares shall not have any rights against the Company, and in such case such shareholders shall be responsible for grouping together the required number of shares or rights and, if appropriate, buying or selling the required number of shares or rights.

CHAPTER III
ADMINISTRATION – GENERAL MANAGEMENT– CONTROLS

The rules governing the Board of Directors’ and board committees’ work and membership are notably governed by Internal Regulations established by the Board of Directors.

ARTICLE 10. COMPOSITION OF THE BOARD OF DIRECTORS

10.1. Directors appointed by the general meeting

The Company is administered by a Board of Directors, the minimum and maximum number of members of which are defined by the applicable laws.

Directors are appointed, revoked and replaced under the terms and conditions set forth in the applicable laws and regulations.

10.1.1. Directors’ shares

Each Director must own at least 300 of the Company’s shares throughout their term of office.
10.1.2. **Term of office**

Subject to the laws applicable to provisional appointments made by the Board of Directors, the Directors shall serve for a term of office of four years. The Directors' term of office expires at the end of the ordinary general meeting called to vote on the accounts for the previous fiscal year and to be held during the year in which the term expires. Subject to the age limit referred to below, directors are always eligible for reappointment.

10.1.3. **Age limit**

The age limit for directors is 70. When a director has reached this age during his term of office, such term shall automatically come to an end except if the Board of Directors decides that the director may finish its term of office.

10.1.4. **Remuneration**

Directors may receive, as attendance fees, a fixed sum per year, the amount of which is determined by the general meeting and remains in force until adoption of a new resolution.

The Board freely distributes attendance fees among its members. The Board may allocate exceptional remuneration to the directors for their performance of missions or mandates assigned thereby.

Costs incurred by the directors in the performance of their duties shall be reimbursed by the Company upon presentation of relevant proof thereof.

10.2. **Directors representing employee shareholders**

When the report presented by the Board of Directors at the general meeting pursuant to article L. 225-102 of the Code de Commerce states that the number of shares held by employees of the Company and affiliated companies within the meaning of article L. 225-180 of said Code amounts to over 3% of the share capital, a director representing the employee shareholders is appointed by the ordinary general meeting in accordance with the procedures set forth by laws and regulations in force and by these Articles of Association, insofar as the Board of Directors does not already include among its members a director representing employee shareholders or an elected employee.

Candidates for appointment as director representing employee shareholders are selected in the following manner:

i) Where the voting rights attached to the shares held by employees or the mutual funds of which they are members are exercised by the members of the supervisory board of such mutual funds, the supervisory board shall select the candidate from amongst its members.

ii) Where the voting rights attached to the shares held by employees (or the mutual funds of which they are members) are directly exercised by the employees, candidates are selected under the consultation procedure provided by article L. 225-106 of the Code de Commerce, either by the employee shareholders at a special meeting held for this purpose, or by a written consultation procedure. Only candidates proposed by a number
of shareholders representing at least 5% of the shares held by employees exercising their voting rights individually are admissible.

Any terms or procedures for selection of candidates which are not covered by applicable laws and regulations or these Articles of Association, may be decided by the Chairman of the Board of Directors, notably in relation to the timetable for such selection procedure.

A list of all validly selected candidates shall be drawn up. This list must include at least two names. The list of candidates is appended to the notice convening the general meeting called to appoint the director representing employee shareholders.

The director representing employee shareholders is appointed by the ordinary general meeting under the normal conditions applicable to the appointment of any director. The Board of Directors presents the list of candidates to the general meeting in order of preference, and approves, if it so wishes, the first candidate appearing on the list. The candidate on the list which receives the greatest number of votes of the shareholders who are present or represented at the Ordinary General Meeting shall be appointed as director representing employee shareholders.

This director is not counted in determining whether the minimum or maximum number of directors required under article 10.1 above has been met.

The term of office of the director representing employee shareholders is three years, expiring at the end of the ordinary general meeting called to vote on the accounts for the financial year just ended and held in the year in which his term of office expires. However the director representing employee shareholders' term of office shall end automatically and he shall be deemed to resign if he ceases to be an employee of the Company (or of a company or economic interest grouping connected with it within the meaning of article L. 225-180 of the Code de Commerce), or a shareholder (or subscriber to a corporate mutual fund holding shares in the Company). The Board of Directors may validly hold meetings and make decisions pending the appointment or replacement of the director representing employee shareholders.

If a post of director representing employee shareholders falls vacant for any reason, such post shall be filled under the same conditions as provided above, and the replacement director shall be appointed by the ordinary general meeting for the remainder of his predecessor’s term of office.

The Board of Directors may validly hold meetings and make decisions pending the replacement of the director representing employee shareholders.

The provisions of the first paragraph of article 10.2 shall cease to apply if, at the end of a financial year, the percentage of the share capital held by employees of the Company and associated companies within the meaning of the above-mentioned article L. 225-180, in the circumstances contemplated by the above-mentioned article L. 225-102, represents less than 3% of the share capital, provided however that the appointment of any director appointed pursuant to the first paragraph of article 10.2 shall expire at the end of its term.

The provisions of article 10.1.1 relating to the number of shares that must be held by directors shall not apply to the director representing employee shareholders. Nevertheless, the director representing employee shareholders must hold, either personally or through a corporate mutual fund (FCPE) governed by article L. 214-40 of the monetary and financial Code, at least one share or a number of units in the said fund equivalent to at least one share.
10.3. Directors representing employees

In accordance with legislation, when the number of members of the Board of Directors appointed by the ordinary general meeting is less than or equal to twelve, a director representing employees is appointed by the Group Works Council in compliance with article L. 2331-1 of the French Labor Code (i.e., by the French delegation of the European Group Works Council in compliance with the agreement establishing Arkema’s European Group Works Council dated 21 March 2007).

Candidates for the position of director representing employees are put forward by trade unions represented at Group Works Council level (or the French delegation within the European Group Works Council). All candidates must meet the legal and regulatory requirements for appointment, and must in particular be an employee of the Company or of one of its direct or indirect subsidiaries whose head office is established on French soil.

Following prior notification by the Chairman of the European Group Works Council of the intention to appoint a director representing employees, the trade unions referred to above must provide a list of candidates no later than fifteen days prior to drafting the agenda for the European Group Works Council meeting scheduled to appoint this director along with a document outlining the career history of each candidate.

A secret ballot is held to appoint a director representing employees on the basis of a simple majority. If there is a tie, a second round of voting takes place involving candidates that obtained the highest number of votes. If there is a second tie, a third round of voting will take place involving candidates that participated in the second round. If there is still a tie at the end of the third round, the candidate who has been employed by Arkema for the longest period of time will be appointed.

The duration of the term of office of the director representing employees is the period provided for in article 10.1.2 above. This term of office expires at the end of the European Group Works Council meeting held to decide whether to renew the term or appoint a new director during the year in which the term expires. This renewal or appointment of a new director takes place during the European Group Works Council’s first ordinary meeting following the Company’s annual general meeting. The term of office ends automatically and the director representing employees is assumed to have automatically resigned if he or she is no longer an employee of the Company or of one of its subsidiaries with its head office established on French soil.

If, for whatever reason, the position of director representing employees falls vacant, his replacement will take place in compliance with the terms and conditions set out above. He or she will carry out his or her duties for the remainder of the predecessor’s term of office. Up to the replacement date, the Board of Directors may meet and legitimately deliberate.

The director representing employees is not taken into account when establishing the minimum and maximum number of directors provided for in article 10.1 above nor when applying the first paragraph of article L. 225-18-1 of the French Commercial Code.

The provisions of article 10.1.1 referring to the number of shares that must be held by a director do not apply to directors representing employees.

If at the end of the financial year, the provisions of article L. 225-27-1 of the French Commercial Code no longer apply to the Company, the director's term of office expires at the end of the Board of Directors' meeting acknowledging that this is the case.
ARTICLE 11. CHAIRMANSHIP AND ORGANISATION OF THE BOARD OF DIRECTORS

11.1 Chairman of the Board of Directors

The Board appoints a Chairman, who must be a natural person, from among its members.

The chairman organizes and directs the Board’s work and reports thereon to the general meeting. He ensures that the Company’s bodies are operating properly and, more particularly, that the directors are able to carry out their duties. The Board may revoke the Chairman’s appointment at any time.

The term of office of the Chairman automatically ends upon the Chairman’s sixty-seventh birthday, at the latest. However, the Chairman shall remain in office until the Board of Directors meeting called to appoint his successor.

11.2 Organisation of the Board of Directors

The Board may appoint a secretary, who need not be a member of the Board.

The Board may decide to create committees with responsibility for considering and giving their opinion on matters which the Board or the Chairman submits to them for examination. The Board shall decide the composition and powers of such committees which conduct their work under the Board’s responsibility.

ARTICLE 12. MEETINGS OF THE BOARD OF DIRECTORS

Board of Directors meetings are called as often as required to serve the Company’s interest, at the registered office or at any other location indicated in the convening notice.

The convening notice may be delivered without a notice period and by any means, even verbally in urgent cases. The Board of Directors may take valid decisions, even if not convened by a notice, if all of its members are present or represented.

Board of Directors meetings are chaired by the Chairman of the Board or, in his absence, by the oldest director in attendance.

The directors and all persons called to attend Board meetings are under a duty of confidentiality with respect to all information relating to matters discussed at Board meetings and any information acquired before or during such meetings.

The validity of the Board of Directors’ decisions requires at least half of directors to be present, or, when allowed by law, deemed to be present, under the conditions defined by the Internal Regulations drawn up by the Board of Directors, through videoconferencing or means of telecommunication that comply with the technical attributes specified by the laws and regulations in force.
Decisions are taken by a majority of votes of the directors present, deemed to be present or represented. In the event of a tie vote, the Chairman of the meeting holds a casting vote.

Copies or extracts of minutes of the Board of Directors may be validly certified by the Chairman, the Chief Executive Officer, a deputy Chief Executive Officer, a director temporarily performing the office of Chairman, a manager with specific signing authority, or any other person permitted by applicable law and regulations.

ARTICLE 13.  POWERS OF THE BOARD OF DIRECTORS

The Board of Directors determines the guidelines governing the Company’s activity and oversees their application. Subject to those powers expressly conferred on the shareholders and within the limits of the Company’s corporate purpose, the Board of Directors considers any issue involving the proper operation of the Company and settles matters falling within its competence through its decisions.

The Board of Directors performs such auditing and verification it considers appropriate. Each Director shall receive from the Chairman of the Board of Directors or the Chief Executive Officer the information necessary for the performance of his duties.

ARTICLE 14.  GENERAL MANAGEMENT

14.1.  System of General Management

The general management of the Company is conducted by and under the responsibility of either the Chairman of the Board of Directors or by any other natural person appointed by the Board of Directors whose title shall be Chief Executive Officer.

The Board of Directors chooses between these two systems of general management under the conditions for quorum and majority voting provided in article 12 of these Articles of Association. Shareholders and third parties are informed of the choice in accordance with applicable laws and regulations.

The chosen system of management shall continue to apply until the Board decides otherwise.

Any change to the system of general management of the Company shall not require any modification of these Articles of Association.

Where the Chairman assumes responsibility for the Company’s general management, the provisions of law, regulation and these Articles of Association relating to the Chief Executive Officer shall apply to him and he shall have the title of Chairman-Chief Executive Officer.

If the Board of Directors decides to separate the functions of Chairman of the Board of Directors and Chief Executive Officer, the Board shall appoint a Chief Executive Officer and decide his term of office, remuneration and the extent of his powers. Any decision by the Board of Directors to limit the powers of the Chief Executive Officer is not enforceable against third parties.
14.2. **Age limit**

During his term of office, the Chief Executive Officer must be less than 67 years old. Once he has reached this age during his term of office, his term shall expire automatically and the Board of Directors shall appoint a new Chief Executive Officer. However, the Chief Executive Officer shall remain in office until the date of the Board of Directors’ meeting called to appoint his successor. Subject to the aforesaid age limit, the Chief Executive Officer may be re-elected for an unlimited number of terms.

14.3. **Revocation and impediment**

The Chief Executive Officer’s appointment may be revoked at any time by the Board of Directors, pursuant to the applicable laws and regulations.

In the event that the Chief Executive Officer becomes temporarily unable to fulfil his duties, the Board of Directors may delegate the functions of Chief Executive Officer to a director.

14.4. **Powers**

The Chief Executive Officer is invested with the widest powers to act in all circumstances in the name of the Company. He exercises his powers within the limits of the corporate purpose and subject to the powers expressly conferred by law to the shareholders general meetings and the Board of Directors. He represents the Company in its relationships with third parties.

The Chief Executive Officer’s powers may be restricted by the Board of Directors, but any such restriction is unenforceable against third parties.

14.5. **Deputy Chief Executive Officers**

The Board of Directors may, on the recommendation of the Chief Executive Officer, appoint between one and five natural persons to assist the Chief Executive Officer and having the title Deputy Chief Executive Officer. The Board shall determine the term of their appointment and extent of their powers, provided that as regards third parties, Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

Whilst in office, Deputy Chief Executive Officers must be under the age of sixty seven. If this age is reached by a Deputy Chief Executive Officer during his term of office, he is deemed to resign automatically. His duties as Chief Executive Officer shall however continue until the next Board of Directors meeting to decide whether or not, as appropriate, to appoint a successor.

Deputy Chief Executive Officers’ appointments may be revoked at any time by the Board of Directors, on recommendation of the Chief Executive Officer, in accordance with applicable laws and regulations.

If the Chief Executive Officer ceases or is prevented from carrying out his duties, the Deputy Chief Executive Officer(s) shall remain in office and retain his/their powers until a new Chief Executive Officer is appointed, unless otherwise decided by the Board of Directors.

14.6. **Delegation of powers**

The Chief Executive Officer and, if applicable, the Deputy Chief Executive Officer(s) are authorised to delegate their powers subject as provided by applicable laws and regulations.
14.7. Remuneration

Fixed or variable, or both fixed and variable remuneration, may be granted by the Board of Directors to the Chief Executive Officer and any Deputy Chief Executive Officer(s) and, in general, to any person on whom duties or any office or delegation of powers are conferred.

ARTICLE 15. STATUTORY AUDITORS

The general meeting appoints the titular and alternate statutory auditors in accordance with applicable laws and regulations.

CHAPTER IV
GENERAL MEETINGS

ARTICLE 16. CONVENING NOTICE – PARTICIPATION AT GENERAL MEETINGS

16.1. Convening notice

General meetings are called under the conditions provided by the applicable laws and regulations.

16.2. Place of meeting

Meetings are held at the registered office or at any other place indicated in the notice of meeting.

16.3. Admission to general meetings

In accordance with current regulatory provisions, all shareholders are entitled to attend Annual General Meetings and participate in the deliberations or be represented, regardless of the number of shares they hold, if it can be shown, under legal and regulatory conditions, that the shares are registered in their name or in the name of an intermediary entitled to act on their behalf, in accordance with the paragraph 7 of article L.228-1 of the French Commercial Code, within the statutory deadline applicable, either in the registered share accounts held by the Company, or in the bearer share accounts held by an authorized intermediary.

The registration or accounting entry of shares in the bearer share accounts held by an authorized intermediary shall be ascertained by a shareholding certificate issued by the intermediary account holder under current legal and regulatory conditions.

16.4. Absentee votes

As from the time the meeting is called, any shareholder may request from the Company in writing a paper absentee ballot, or, if the Board of Directors provides for this option in both the announcement and notice of meeting, an electronic absentee ballot. Such requests must be delivered to or received at the registered office of the Company no more than six days before the date of the meeting. The Board of Directors has the power to reduce or waive this period.

Paper absentee ballots must be delivered to or received by the Company at least three days before the date of the general meeting. Electronic absentee ballots may be delivered to or received by the Company until 3:00 p.m., Paris time, on the eve of the general meeting. The Board of
Directors or Chairman, if so authorized by delegation, has the power to reduce or waive this period.

16.5. **Representation at general meetings**

Shareholders may be represented at general meetings by another shareholder; their spouse or partner with whom they have entered into a *pacte civil de solidarité* or any other individual or legal entity in accordance with the conditions set out in article L.225-106 of the French commercial code.

Shareholders that are legal entities attend meetings through their legal representatives or any proxy appointed for this purpose.

Any member of the meeting who wishes to be represented by proxy shall send a proxy form to the Company, either on paper, or, if the Board of Directors provides for this option in both the announcement and convening notice, in electronic format, at least three days before the meeting. However, the Board of Directors or Chairman, if so authorized by delegation, has the power to reduce or waive such notice periods and to accept proxy forms that do not fall within this limit.

Proxies in electronic format may be filed or received by the Company until 3:00 p.m., Paris time, on the eve of the general meeting. The Board of Directors or Chairman, if so authorized by delegation, has the power to reduce or waive this period.

16.6. **Videoconference and other means of telecommunication**

The Board of Directors has the power to decide that shareholders who take part in the general meeting by videoconference or other means of telecommunication that enable them to be identified and where the nature and conditions of such means of participation are determined by decree shall be deemed present for the purposes of calculating quorum and majority.

**ARTICLE 17. GENERAL MEETINGS – DELIBERATIONS**

17.1. **Chairmanship of general meetings**

General meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director who is appointed specifically for this purpose by the Board of Directors. Failing this, the meeting elects its own chairman.

17.2. **Quorum and majority**

General meetings, whether they are ordinary, extraordinary, combined or special, are duly constituted when they meet the quorum and majority conditions provided by applicable laws and regulations governing such meetings and exercise the powers ascribed to them by the law.

17.3. **Voting rights, double voting rights**

Subject to the provisions set forth below, each member of the meeting is entitled to as many voting rights and votes as the number of shares he owns or represents, providing that all payments due for such shares have been met.
However, double voting rights are conferred on all fully paid up shares in registered form that have been registered in the name of the same shareholder for at least two years, under the conditions applicable by law and by regulations.

Furthermore, in the event of a capital increase by capitalization of reserves, profits or share premiums, double voting rights are conferred, as of their issue, to shares in registered form allocated to shareholders on the basis of existing shares held by such shareholders and conferring such entitlement.

The merger or spin-off of the Company has no effect on double voting rights, which may be exercised within the beneficiary company or companies if the Articles of Association of such company provide for such rights.

Any share converted to a bearer share or of which the ownership is transferred loses the double voting rights gained under the three provisions above. However, transfer resulting from inheritance, the separation of goods between spouses or a living gift to a spouse or close relative does not result in the loss of rights acquired nor interrupt the qualifying period indicated above.

17.4. **Limitation on voting rights**

In a general meeting, no shareholder may, directly or through a proxy, express more than 10% of the total voting rights attached to the Company's shares, taking into account single voting rights attached to shares that he directly or indirectly holds and to the powers conferred to him. However, if such a shareholder also holds double voting rights personally or as a proxy, the 10% limit may be exceeded, taking into account only the additional voting rights resulting therefrom, and the combined voting rights expressed shall not exceed 20% of the total voting rights attached to the Company's shares.

In application of the foregoing provisions:

- the total number of voting rights attached to the Company's shares that is taken into consideration is calculated as of the date of the general meeting and the shareholders are notified thereof at the beginning of such general meeting,

- the number of voting rights held directly and indirectly means those voting rights attached to shares to which a natural person holds title, either personally or jointly, or through a company, group, association or foundation, and those that are attached to the shares held by a company that is controlled, within the meaning of article L233-3 of the Code de Commerce, by another company or by a natural person, association, group or foundation.

- a shareholder's proxy returned to the Company without stating the name of the proxy is subject to the foregoing limitations. However, such limitations do not apply to the chairman of a general meeting who is voting by virtue of all such proxies combined.

The limitations provided in the foregoing paragraphs have no effect in calculating the total number of voting rights, including double voting rights, attached to the Company's shares and which must be taken into account in applying the legal, regulatory or statutory provisions providing for specific obligations by reference to the number of voting rights existing in the Company or the number of shares having voting rights.

The limitations set forth above shall lapse, without any need for a new resolution by an extraordinary general meeting, whenever a natural person or legal entity, acting separately or in concert with one or more natural persons or legal entities, should come to hold at least two thirds of the total number of shares in the Company following a public offering for all of the
Company's shares. The Board of Directors then recognizes that the limitations have lapsed and carries out the related formalities to amend the Articles of Association.

17.5. Deliberations

Resolutions adopted by the general meeting are recorded in minutes prepared under and in accordance with the provisions of applicable law and regulations.

Copies or extracts of such minutes may validly be certified by the Chairman of the Board of Directors, or by a director acting as Chief Executive Officer, or by the secretary of the general meeting, or by any other person authorised by applicable law and regulations.

CHAPTER V

ANNUAL ACCOUNTS – APPROPRIATION AND DISTRIBUTION OF EARNINGS

ARTICLE 18. FINANCIAL YEAR

The financial year begins on 1 January and ends on 31 December in each year.

ARTICLE 19. ANNUAL ACCOUNTS

At the end of each financial year, the Board of Directors prepares the annual accounts and consolidated accounts in accordance with applicable laws and regulations.

ARTICLE 20. APPROPRIATION OF EARNINGS

The following sums are allocated from the Company's profits for the year, less any retained losses, in the following order:

1) at least 5% is allocated to the legal reserve fund; once the legal reserve fund amounts to one-tenth of the share capital, this allocation is no longer mandatory;

2) any amounts that the shareholders have resolved to transfer to reserves, for which they will determine the allocation or use, pursuant to a resolution adopted at a general meeting; and

3) any amount that the general meeting shall decide to allocate to retained earnings.

Any remaining balance is paid out to the shareholders as dividends.

The Board of Directors may pay interim dividends under the conditions provided by the applicable laws and regulations.

The general meeting called to approve the accounts for the financial year may grant each shareholder the option to receive all or part of the dividends or interim dividends in cash or in shares.
The general meeting may, at any time, on the Board of Directors' recommendation, decide to distribute all or part of the amounts contained in the reserve fund accounts either in cash or in shares in the Company.

CHAPTER VI
WINDING-UP – DISPUTES

ARTICLE 21. WINDING UP – LIQUIDATION

When the term of the Company expires or if it is wound up earlier, the general meeting shall decide how the Company shall be liquidated and shall appoint one or more liquidators whose remuneration and powers it shall determine.

ARTICLE 22. DISPUTES

All disputes arising during the life of the Company or during its liquidation, either between the shareholders, or between the Company and the shareholders themselves, in relation to Company business shall be subject to the jurisdiction of the competent Courts in the place of the registered office.