DASSAULT SYSTEMES

French *Société Anonyme* with a share capital of [126,330,092][1] euros

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REGISTERED OFFICE

10, rue Marcel Dassault

78140 VELIZY-VILLACOUBLAY

(the "**Company**")

DRAFT TERMS OF CONVERSION INTO A EUROPEAN COMPANY

(*SOCIETAS EUROPEA*)

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[1] Share capital as at 21 March 2014, date of the Board meeting which has adopted the draft terms of conversion, this amount may evolve between the publicity of the draft terms of conversion and the shareholders' decision to convert the company into an SE.

DRAFT TERMS OF CONVERSION INTO A EUROPEAN COMPANY

The following draft terms conversion (the "**Draft Terms**") have been established by the Board of Directors of the Company as part of the project for the conversion (the "**Conversion**") of the Company into a European public limited-liability company (*Societas Europea*) (the "**SE**"), in accordance with the provisions of Article 37, paragraph 4 of the Council Regulation (EC) N° 2157/2001 of 8 October 2001 relating to the statute for a European Company (the "**SE Regulation**") and of Article L. 225-245-1 al.2 of the French *Code de commerce*.

1. DESCRIPTION OF THE CONVERSION PROJECT

1.1 Identity and characteristics of the Company

1.1.1 Form – Registered Office

The Company is a French public limited-liability company (*société anonyme)* with a Board of Directors. Its registered office is located at 10, rue Marcel Dassault, 78140 Vélizy-Villacoublay.

1.1.2 Place of Incorporation – Applicable Law

The Company is registered with the commercial and companies register of Versailles under number 322 306 440 and is governed by the laws and regulations in force in France, as well as by its by-laws.

1.1.3 Business Description

Dassault Systèmes, the 3DEXPERIENCE Company, provides business and people with virtual universes to imagine sustainable innovations. Its world-leading solutions transform the way products are designed, produced, and supported. Dassault Systèmes' collaborative solutions foster social innovation, expanding possibilities for the virtual world to improve the real world. The Dassault Systèmes Group (composed of the Company and all the companies it directly or indirectly owns) brings value to over 190,000 customers of all sizes, in more than 140 countries, in the following sectors: Aerospace & Defense, Transport and Mobility, Marine and Offshore, Industrial Facilities, High Technology, Architecture, Engineering and Construction, Consumer goods - Distribution, Products of general consumption - Distribution, Life Sciences, Energy and Processes, Finance, Services and Natural Resources.

In 2013, the Group generated a consolidated turnover of 2,066.1 million euros, of which 46% were generated in Europe. The Group had, at 31 December, 2013, 8,587 employees, including more than 4,400 in Europe.

1.1.4 Purpose

The purpose of the Company, in France as well as abroad, is as follows:

- the development, producing, marketing, purchase, sell, rental and providing of after-sale service of computer hardware and/or software,

- the supply and providing of services to users specifically in the area of training, demonstration, methodology, display and utilization,

- the supply and providing of services of data centers, including the supply of services dedicated to Software as a Service and the operation and supply of the corresponding infrastructures, and

- the supply and sell of computer resources, together or separate from software or services,

  in the areas of computer-aided manufacturing and design, the management of the lifecycle of products, collaborative work, technical databases, the management of manufacturing processes, and software development tools as well as in any extension of these areas.

The purpose of the Company is also:

- the creation, acquisition, rental and management-lease of any on-going business, signing leases, and the establishment and operation of any facilities,

- the acquisition, operation or sale of any industrial or intellectual property rights as well as any knowhow in the field of computers, and

- more generally, taking an interest in any business or company created or to be created as well as in any legal, economic, financial, industrial, civil commercial, personal or real property enterprise connected directly or indirectly, in whole or in part, with the purposes above or any similar or related purposes.

1.1.5 Duration

The duration of the Company is set at ninety nine years from 4 August 1981, the date of its registration with the commercial and companies register, except in the event of extension or earlier dissolution.

1.1.6 Place of Listing – Share Capital

As at 21 March 2014, the share capital of the Company is divided into [126,330,092] [2] shares of the same class with a nominal value of Euro 1 (1 €) each, fully paid-up.

Its shares are admitted to trading on NYSE Euronext Paris market.

1.2 Reasons for the Conversion

The Group operates in three main geographic regions which host its main markets: Europe, the Americas and Asia. In Europe, the Group is present in 15 countries of the European Union where half of its workforce is located and which generates about 45% of its turnover. Through its markets, its customers and its locations, the Group has a strong international dimension with European roots.

The international dimension of the Company, particularly its economic presence in the majority of the European Union countries thus fully justifies the adoption by the Company of the form of the SE. The Company will benefit from a legal status recognized in the countries

[2] This number may evolve between the publicity of the Draft Terms of Conversion and the shareholders' decision to convert the Company into a SE.

of the European Union where it operates, consistent with its economic reality, both with respect to its employees, partners and customers.

By converting into an SE, Dassault Systèmes whishes to strengthen its employees' sense of belonging with the Group, particularly for those employees located outside of France. European employees will also benefit from a new representative institution at European level, consistent with the headcount increase resulting from the Group's recent acquisitions in several European countries.

In the Group's relations with its clients and partners, adopting the SE corporate form also has the advantage of offering a homogeneous set of rules throughout the European Union.

In addition, the SE corporate form allows for more flexibility in the organization of group companies (such as having branches as opposed to subsidiaries).

Finally, the Conversion will strengthen the political rights of the shareholders,while improving the decision-making process. Indeed, calculation of the majority for shareholders' resolutions will be made on the basis of the "votes cast", which shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or spoilt ballot paper.

Quorum conditions for the Board of Directors' meetings will also be improved by the Conversion, as it will be calculated taking account of the Directors present or represented, as permitted by the provisions applicable to the SE.

That is the reason why the Board of Directors of the company has given consideration to ways of reflecting this European dimension both with respect to its employees and its customers in the legal form of the Company. It is therefore suggested changing the legal form of the Company from a French *société anonyme* to an SE.

1.3 Conditions of the Conversion

1.3.1 A subsidiary governed by the law of another Member State

Pursuant to the provisions of Article 2, paragraph 4 of the SE Regulation, a public-limited liability company formed under the law of a Member State which has its registered office and head office within the European Union, may be transformed into an SE if for at least two years it has had a subsidiary company governed by the law of another Member State.

This condition is fulfilled since the Company, a public limited-liability company (*société anonyme)* incorporated under French law and having its registered office and head office in France has been holding for more than two years several subsidiaries located within some European Union countries, in particular in Germany and in the United Kingdom.

1.3.2 In existence for at least two years and balance sheet of the first two fiscal years approved

Pursuant to the provisions of Article L. 225-243 of the French *Code de commerce*, a French public limited-liability company (*société anonyme)* may be transformed into another corporate form if, at the date of the conversion, the company has been in

existence for at least two years and the balance sheet of its first two fiscal years has been approved by its shareholders.

This condition is fulfilled.

1.3.3 Net assets

Pursuant to the provisions of Article 37, paragraph 6 of the SE Regulation and Article L. 225-245-1 of the French *Code de commerce* the Company, in case of conversion into an SE, must have net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the by-laws.

This condition is fulfilled at the date of these Draft Terms and will be fulfilled at the date of the shareholders meeting convened to decide on the Conversion. This will be certified in a report of one or more conversion auditor(s), as described below.

1.3.4 Amount of the share capital

Pursuant to the provisions of Article 4, paragraph 2 of the SE Regulation the subscribed capital of the SE shall be at least equal to EUR 120,000.

This condition is fulfilled at the date of these Draft Terms and will be fulfilled at the date of the shareholders meeting convened to decide on the Conversion.

1.4 Legal regime of the Conversion

The Conversion is governed by (i) the provisions of the SE Regulation (and in particular Article 2, paragraph 4 and Article 37 relating to the formation of a European company (*Societas Europea*) by way of conversion) ; (ii) Articles L. 225-245-1 and R. 229-20 to R. 229-22 of the French *Code de commerce* and (iii) the provisions of Directive n°2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of the employees (the "**SE Directive**") and the French national provisions implementing the SE Directive as provided in Articles L. 2351-1 and seq. of the French labor code.

2. PROCEDURE

2.1 Opinion of the works council

The works council of the Company has issued an opinion on the project of conversion of the Company into an SE on 13 February 2014.

2.2 Report

In accordance with the provisions of Article 37, paragraph 4 of the SE Regulation, the Board of directors has prepared a report on the Conversion project explaining and justifying the legal and economic aspects of the Conversion and indicating the implications for the shareholders and for the employees of the adoption of the form of an SE. This report is set out in **Schedule 1** and forms an integral part of this Project.

2.3 By-laws

The draft By-laws that will govern the Company upon completion of the Conversion, subject to their approval by the extraordinary general meeting of the Company is set out in **Schedule 2**.

2.4 Conversion Auditors

Pursuant to Article 37, paragraph 6 of the SE Regulation and Article L. 225-245-1 of the French *Code de commerce*, one or more conversion auditors will be appointed by the President of the Commercial Court of Versailles upon request which must be submitted to such President.

In accordance with Article R. 229-21 of the French *Code de commerce*, the conversion auditor(s) shall be selected from among statutory auditors included in the list provided for in Article L. 822-1 of the French *Code de commerce* or from among the experts included in the lists established by the courts.

The conversion auditor(s) will have the task to prepare a report to the shareholders certifying that the Company has net assets at least equivalent to its share capital plus those reserves which must not be distributed under the law or the by-laws.

2.5 Special benefits (*avantages particuliers*)

The members of the Board of Directors, the managing director and the auditors of the Company shall not be entitled to any special benefit in connection with the Conversion.

2.6 Registration and publicity of the Draft Terms

The Draft Terms will be filed with the clerk's office (*greffe*) of the Commercial Court of Versailles, in the jurisdiction of which the Company is registered, and will be subject to publicity through the insertion of a notice in a legal gazette in the department of Yvelines as well as in the *Bulletin des Annonces Légales Obligatoires (BALO)*, at least one month before the date of the general meeting convened to vote on the Conversion project. The *Autorité des marchés financiers (AMF)* has also been informed of the Conversion Draft Terms.

2.7 Approval of the Draft Terms and of the by-laws of the Company

In accordance with Article 37, paragraph 7 of the SE Regulation and with Article L. 225-245-1 of the French *Code de commerce*, the extraordinary shareholders meeting of the Company will decide on the Draft Terms and on the by-laws of the Company under the quorum and majority rules required for the amendment of the by-laws of a *société anonyme* in accordance with the provisions of Article L.225-96 of the French *Code de commerce*.

2.8 Effective date of the Conversion

The conversion into an SE will be effective as from the registration of the Company in the form of an SE with the commercial and companies register. In accordance with Article 12, paragraph 2 of the SE Regulation, the registration of the SE may only take place once the

procedure regarding the involvement of the employees is completed, as described in the report set out in **Schedule 1**.

On 21 March 2014
The Board of Directors

SCHEDULE 1

REPORT OF THE BOARD OF DIRECTORS ON THE PROJECT OF CONVERSION INTO A EUROPEAN COMPANY (*Societas Europea*)

DASSAULT SYSTEMES

French *Société Anonyme* with a share capital of EUROS [126,330,092][3] euros

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REGISTERED OFFICE

10, rue Marcel Dassault

78140 VELIZY-VILLACOUBLAY

(the "**Company**")

REPORT OF THE BOARD OF DIRECTORS ON THE PROJECT OF CONVERSION INTO A EUROPEAN COMPANY (*Societas Europea*)

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[3] Share capital as at 21 March 2014, date of the Board meeting which has adopted the draft terms of conversion, this amount may change between the publicity of the draft terms of conversion and the shareholers' decision to convert the Company into an SE.

REPORT OF THE BOARD OF DIRECTORS ON THE PROJECT OF CONVERSION INTO A EUROPEAN COMPANY (*Societas Europea*)

This report (the "**Report**") has been prepared by the Board of Directors of the Company as part of the project of conversion (the "**Conversion**") of the Company into a European Company (*Societas Europea*) (the "**SE**"), pursuant to the provisions of Article 37, paragraph 4 of the Council Regulation (EC) N° 2157/2001 of 8 October 2001 relating to the statute for a European Company (the "**SE Regulation**").

Its purpose is to explain and justify the legal and economic aspects of the Conversion as well as to indicate the implications of the adoption by the Company of the form of an SE for the shareholders and for the employees.

1. CONSEQUENCES OF THE CONVERSION PROJECT

1.1 Legal aspects of the Conversion

1.1.1 Legal regime

Pursuant to the provisions of Article 9 of the SE Regulation, the SE shall be governed by:

(a) the SE Regulation ;

(b) where expressly authorized by the SE Regulation by provisions of the by-laws of the SE ;

and

(c) for the matters which are not regulated or partially regulated by the SE Regulation, by :

(i) the provisions of the French *Code de commerce* relating to the SE ;

(ii) the provisions applicable to the public limited-liability companies (*sociétés anonymes*), when they are compatible with the rules applicable to the SE ; and

(iii) the provisions of the by-laws of the SE, under the same conditions as those which apply to a *société anonyme* incorporated in France.

1.1.2 Corporate name following the Conversion

The name of the Company will not change on the occasion of the Conversion.

1.1.3 Registered office and head office of the Company

The registered office and the head office of the Company, which should be in the same place, will continue to be located in France, 10, rue Marcel Dassault, 78140 Vélizy-Villacoublay.

1.1.4 Legal person and shares of the Company

Pursuant to Article 37, paragraph 2 of the SE Regulation, the Conversion shall neither result in the winding up of the Company nor in the creation of a new legal person. Upon completion of the Conversion and as from its registration with the commercial and companies register of Versailles in the form of an SE, the Company shall simply continue to conduct its activities under the form of an SE.

The number of shares issued by the Company and their par value will not be modified by the mere fact of the Conversion. Such shares will remain admitted to listing on the NYSE Euronext Paris market.

1.1.5 Bodies of the SE

In accordance with the SE Regulation, the Company shall maintain its current bodies, which powers and decision process will not be changed by the Conversion, subject to the following adjustments:

(a) shareholders' general meeting

The rules of calculation of the majority of the shareholders' general meeting will be amended in accordance with the provisions applicable to the SE. Indeed, whereas in a *société anonyme*, the abstention, or the return of a blank or a spoilt ballot paper is deemed to be a vote against the resolution proposed to the shareholders' meeting, the calculation of the majority with respect to the adoption of the resolutions during the shareholders meeting of an SE is made on the basis of the "votes cast", which shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or spoilt ballot paper. The calculation of the two-thirds majority in the special meetings follows the same rules.

(b) Board of Directors

Upon completion of the Conversion, the terms of the current mandates of Board members will continue under the same conditions and for the same duration as prior to the completion of the Conversion.

The Board of Directors shall meet at least every three months.

In accordance with the draft by-laws, the quorum conditions of the Board of Directors meetings will not be amended, i.e. the half of the Board members, but this proportion will be calculated taking account of the Directors present or represented, as permitted by the provisions applicable to the SE.

No person, who has been subject to an administrative or judicial decision delivered in a Member State that prevents him from being a member of a Board of Directors of a *société anonyme* governed by the law of a Member State, may be a Board member.

The categories of the transactions which require an express decision of the Board of Directors are set out in Article 18 of the draft by-laws of the SE.

In accordance with the draft by-laws of the SE, the procedure applicable to the related - party agreements shall not be amended.

The duty of confidentiality (*obligation de discrétion*) of Board members will be reinforced and shall notably continue after the termination of their functions, as described in Article 16 of the draft by-laws of the SE.

1.1.6 Statutory auditors of the Company

Upon completion of the Conversion, the terms of the current mandates of the statutory auditors will continue under the same conditions and for the same duration as prior to the completion of the Conversion.

1.2 Implications for the shareholders

The Conversion will not affect the rights of the Company's shareholders who will become automatically shareholders of the Company without any action being required on their part.

Thus, the financial commitment of each shareholder will remain limited to the one it had subscribed prior to the Conversion. The Conversion will also not affect the proportion of the voting rights of each shareholder of the Company.

The Conversion itself will have no impact on the Company'shares value. The number of shares issued by the Company will not be modified as a result of this operation.

The Conversion will strengthen the political rights of the shareholders, the SE Regulation recognizing in particular the ability for one or more shareholders who together hold at least 10% of the subscribed share capital of the Company to request the convening of a shareholders meeting and to set up the agenda for such meeting.

As indicated in paragraph 1.1.5 (a) above, the rules of calculation of the majority of the shareholders meetings will be modified in accordance with the provisions applicable to the SE. Thus, following the Conversion, the calculation of the majority for the adoption of the resolutions during the shareholders' general and special meetings will be made on the basis of the "votes cast", which shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or spoilt ballot paper.

1.3 Implications for creditors

The Conversion itself will not result in any change of the rights of the Company's creditors. Creditors existing prior to the Conversion will retain all their rights towards the Company upon completion of the Conversion.

1.4 Implications for the employees

The negotiation procedure with the employees' representatives of the companies involved in the creation of a European company is specified in Directive No. 2001/86/EC of October 8, 2001 which was implemented in Articles L. 2351-1 to L. 2353-32 of the French labor code. In addition to the information of the employees' representatives, the Company will invite them to constitute a Special Negotiating Body ("**SNB**"). The SNB's aim is to conduct a negotiation in order to conclude a written agreement on the arrangements for the involvement of employees within the SE.

The SNB members will be appointed in accordance with the procedures set out for each country concerned (Germany, Austria, Belgium, Bulgaria, Denmark, Spain, Finland, France,

Italy, Norway, the Netherlands, Poland, Czech Republic, the United Kingdom, Sweden). This group will be the interlocutor for the management in the negotiations. It will have a legal personality.

The SNB members will be invited to meet by the managers of the Company and may be assisted by experts. Negotiations may continue for six months from the establishment of the SNB. They may be extended, by joint agreement of the parties, provided that the maximum duration of negotiations shall not exceed one year.

However, the SNB may, in accordance with Article L. 2352-13 of the French labor code, decide not to open negotiations or to terminate negotiations already opened and to apply the rules applicable to the information and consultation of employees in force in the Member States where the SE has employees.

Such decision shall be taken by a majority of two-thirds of the SNB members from at least two Member States and provided that they represent at least two-thirds of the employees of the participating companies, concerned subsidiaries and branches.

Thus, the SNB negotiations for the involvement of the employees in the SE may lead to the following situations:

- conclusion of an agreement relating to employees involvement ;
- decision by the SNB not to open or to terminate negotiations already opened, and to apply the rules applicable to the information and consultation of employees in the Member States where the Company has employees ;
- failure of the negotiations and creation of a committee of the SE, governed by Articles L. 2353-1 and seq. of the French labor code.

It has already been established that no change will be made to the employment contracts of the employees of the Company, as well as of those of its subsidiaries and branches because of the Conversion. Therefore, these employment contracts will continue under the same terms and conditions as before the completion of the Conversion.

In addition, there will be no impact on the collective status of the Company's employees and their working conditions. The collective agreements, the practices and unilateral undertakings in force within the Company are not being affected by the Conversion.

Finally, the employees' representative institutions existing within the Company will remain in place without change due to the Conversion and the current mandates of the workers' representatives at the completion date of the Conversion will continue until their terms.

1.5 Economics Aspects of the Conversion

The Group operates in three main geographic regions which host its main markets: Europe, the Americas and Asia. In Europe, the Group is present in 15 countries of the European Union where half of its workforce is located and which generates about 45% of its turnover. Through its markets, its customers and its locations, the Group has a strong international dimension with European roots.

The international dimension of the Company, particularly its economic presence in the majority of the European Union countries thus fully justifies the adoption by the Company of the form of the SE. The Company will benefit from a legal status recognized in the countries

of the European Union where it operates, consistent with its economic reality, both with respect to its employees and its customers.

1.6 Tax Aspects of the Conversion

The conversion of the Company into an SE should not result in any specific tax impact with regard to income tax to the extent that no new legal person is created nor the tax regime will be changed (the SE must be considered, for tax matters, as a *société anonyme*), nor the registered office transferred in another country.

With regards to registration duties, the Conversion must be registered within 30 days as from its completion. Since it is not considered as a creation of a company, no capital duty (*droit d'apport*) shall be due, the operation being subject to the fixed registration duty applicable to the innominate acts under Article 680 of French general tax code (currently 125 EUR).

On 21 March 2014
The Board of Directors

SCHEDULE 2

DRAFT BY-LAWS

Free translation for information purposes only
Board of March 21, 2014

DASSAULT SYSTEMES

A European Company (*Societas Europae, SE*) with registered capital of € [126,330,092][1]

REGISTERED OFFICE

10, rue Marcel Dassault

78140 VELIZY-VILLACOUBLAY

(the "**Company**")

BY-LAWS
("STATUTS")

Updated further to the shareholders' meeting resolutions of [date of the shareholders' meeting approving the conversion and the by-laws of the Company]

VERSAILLES Commercial Register N°322 306 440

This document is originally provided in French and is translated in English for informational purposes only. If there is a discrepancy or inconsistency of meaning or interpretation between the French version and the English version, the French version shall prevail and shall be the only binding and enforceable version of these by-laws.

[1] As of March 21, 2014, date at which the Board of Directors approved the conversion plan

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TITLE I

FORM - PURPOSE - NAME - PRINCIPAL OFFICE - DURATION

Article 1 - CORPORATE FORM

The Company has been converted from the form of a corporation ("*société anonyme*") into a European public limited-liability Company (Societas Europea). It is governed by the provisions of Regulation (EC) No 2157/2001 as well as by French provisions in force at any time (hereinafter the "Law"), as well as by these by-laws.

Article 2 - PURPOSE

The purpose of the Company, in France as well as abroad, shall be as follows:

- the development, producing, marketing, purchase, sell, rental and providing of after-sale service of computer hardware and/or software,

- the supply and providing of services to users specifically in the area of training, demonstration, methodology, display and utilization,

- the supply and providing of services of data centers, including the supply of services dedicated to Software as a Service and the operation and supply of the corresponding infrastructures, and

- the supply and sell of computer resources, together or separate from software or services,

in the areas of computer-aided manufacturing and design, the management of the lifecycle of products, collaborative work, technical databases, the management of manufacturing processes, and software development tools as well as in any extension of these areas.

The purpose of the Company shall also be:

- the creation, acquisition, rental and management-lease of any on-going business, signing leases, and the establishment and operation of any facilities,

- the acquisition, operation or sale of any industrial or intellectual property rights as well as any knowhow in the field of computers, and

- more generally, taking an interest in any business or company created or to be created as well as in any legal, economic, financial, industrial, civil commercial, personal or real property enterprise connected directly or indirectly, in whole or in part, with the purposes above or any similar or related purposes.

Article 3 - NAME

The name of the Company is:

DASSAULT SYSTEMES

In all instruments and documents issued by the Company the name of the Company must be preceded or followed by the abbreviation "SE" and must include the stated registered share capital and the Company's location and registration number in the Commercial Register.

Article 4 - REGISTERED OFFICE

The Company's registered and head office are at:

10, rue Marcel Dassault,
78140 VELIZY VILLACOUBLAY

The head office may be transferred to any location within the same *département* (administrative area) or in a bordering *département*, by simple decision of the Board of Directors, subject to confirmation of such decision by the next ordinary shareholders meeting and in any other location in France or in another Member State of the European Union by virtue of a decision of an extraordinary shareholders meeting, subject to the provisions of the Law.

At the time of a transfer decided upon by the Board of Directors, the Board is authorized to modify the by-laws as necessary.

The Board of Directors shall have the authority to form agencies, offices and branches anywhere that it deems useful as well as to eliminate them.

Article 5 - DURATION

The duration of the Corporation is set to expire 99 years from August 4, 1981, the date of its registration in the Commercial Register, except in the event of extension or earlier dissolution.

TITLE II

REGISTERED SHARE CAPITAL

Article 6 - REGISTERED SHARE CAPITAL

The registered share capital is fixed at the amount of 126,330,092 Euros (one hundred twenty six million three hundred thirty thousand and ninety two Euros).[2]

It is divided into 126,330,092 fully-paid shares[(2)] of a single class of common stock, nominal value 1 Euro per share.[3]

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[2] This share capital can vary between March21, 2014 and the date of the General Shareholders Meeting which will approve the conversion;

[3] To be updated after the stock split.

Article 7 - INCREASE IN CAPITAL

The registered capital may be increased by any means and by any method provided by the Law.

Article 8 - PAYING UP OF SHARES

In the event of shares subscribed for in cash, the subscriber must pay at least one quarter of their par value at the time of their subscription and, if applicable, the entirety of any issue premium.

The remainder shall be paid for in one or more installments upon decision of the Board of Directors and must be paid within the maximum time period imposed by the Law in effect at the time and in the proportions determined by the Board of Directors.

Calls for funds shall be brought to the attention of subscribers through publication at least six days prior to the date set for each payment in a journal of legal notices of the *département* in which the principal office is located and in the *Bulletin des Annonces Légales Obligatoires* or by registered letter with return receipt requested sent to the registered shareholders within the same time period, or by any other method authorized by Law.

The Board of Directors may authorize early payment for shares under the conditions that it deems appropriate.

Any delay in the payment of sums owed shall automatically, and with no need for any formality, be subject to the payment of interest at the statutory rate, as of the due date, without prejudice to the personal action that the Company may bring against a defaulting shareholder and the enforcement measures provided by Law.

Article 9 – REDUCTION — AMORTIZATION OF REGISTERED SHARE CAPITAL

An extraordinary shareholders meeting may decrease the registered share capital or may delegate to the Board of Directors the powers necessary for such decrease. Under no circumstances may the decrease infringe on the equality of the shareholders.

The decision to reduce the registered share capital to a sum inferior to the minimum provided by the Law may only be made in the case of a share capital increase intended to bring the registered share capital to a sum at least equal to that minimum amount unless the Company is converted into a corporation ("*société anonyme*").

If these provisions are not observed, any interested party may bring legal action to dissolve the Company.

However, the court may not pronounce the dissolution if, on the day of its judgment, the rectification has occurred. The share capital may be amortized pursuant to the provisions of the Law.

Article 10 - FORM OF SHARES

Shares shall be in the form of registered or bearer shares, at the shareholder's discretion.

Until they are fully paid-up, shares may not be held in bearer form.

Shares shall give rise to an entry in an individual account under the conditions and according to the methods provided by the Law.

The Company may, at any time, in accordance with the provisions of the Law, request information from the central custodian of financial instruments the name or designation, nationality and address of the holders of bearer shares of the Company that confer, immediately or in the future, the right to vote at the Company's shareholders meetings, and the quantity of shares held by each of them and, where applicable, any restrictions which may affect the securities.

Article 11 - INDIVISIBILITY OF SHARES

Shares shall be indivisible with respect to the Company. Joint-owners of shares shall be represented at shareholders meetings by one of them or by a common agent of their choice. In the absence of any agreement between them as to the choice of an agent, such agent shall be appointed by Order of the Chief Judge of the Commercial Court ruling in chambers at the request of the more diligent joint-owner.

In case of stripping of the ownership of the shares, the voting rights attached to the share belongs to the bare owner, except for the decisions relating to the allocation of profits for which it belongs to the beneficial owner.

The shareholder's right to have access to corporate documents or to consult them may also be exercised by each joint owner of shares, by the beneficial owner and the bare owner of shares.

Article 12 - TRANSFER OF SHARES

1. Shares shall be transferable under the conditions and according to the methods provided by the Law. Transfers shall be made from one account to another account.

   Transfers of shares by an event that does not constitute a trade shall be accomplished upon proof of the conveyance pursuant to the Law.

2. All shares, whether paid in cash or in kind, may be traded as of their issuance subject to the exceptions of the Law. In particular:

   - in the event of a share capital increase, shares may only be traded upon the effectiveness of such an increase,

   - transfers of shares that are not paid-up as required shall not be authorized.

   Trading of shares to be offered, but not yet offered, shall be prohibited, unless the Law provides for an exception.

3. Shares shall remain tradable after the dissolution of the Company, up to the close of the liquidation.

Article 13 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

1. Subject to any preferential rights that might be granted to one or more classes of shares that are created, each share entitles the holder thereof to (i) an ownership right in the Company in proportion to the percentage of capital that such share represents, (ii) the right to vote under the conditions set by the Law and these by-laws (in particular, the double voting right provided for in Article 29, paragraph 2. of these by-laws) and (iii) be represented at shareholders meetings, under the legal conditions set by Law and these by-laws.

   All shareholders shall have the right to be informed of the operations of the Company and to obtain certain corporate documents at the times and under the conditions provided by Law and these by-laws.

2. Shareholders shall be liable for losses only to the extent of their capital contributions.

   Except as provided by the Law and these by-laws, no majority may impose on shareholders any increase in their commitments. The rights and obligations attached to a share shall be transferred with it to all future holders.

   The ownership of a share shall automatically entail compliance with the decisions of shareholders meetings and to these by-laws.

   Heirs, creditors, successors in interest or other representatives of a shareholder may not, under any pretext, demand the affixing of seals onto corporate documents or assets, request the distribution or public sale of such assets, nor interfere in the administration of the Company. To exercise their rights, they must rely on corporate procedures and the decisions of the shareholders meetings.

3. Whenever it is necessary to possess a certain number of shares in order to exercise any right, in the event of exchange, consolidation or attribution of shares, or when there is a capital increase or decrease, merger or any other transaction, the shareholders possessing a number of shares inferior to the number required may exercise such rights only on the condition that they personally acquire the required number of shares.

4. In addition to the obligation provided for by the Law to inform the Company of the upward or downward crossing of the thresholds of capital or voting rights in accordance with the conditions set force in Articles L. 233-7 et seq. of the *Code de commerce*, any individual or legal entity who, directly or indirectly, acting alone or in concert with others, acquires ownership of securities representing at least 2.5% of the Company's share capital or voting rights must notify the Company, by registered letter with return receipt requested, of the total number of shares or voting rights that he holds within 4 trading days of such acquisition.

   This declaration must be also made each time a threshold of 2.5% up to and including 50% of the Company's total share capital or voting rights is crossed.

   The declaration mentioned above must also be made when the amount of share capital held falls below the above-mentioned thresholds.

   For each declaration indicated above, the declaring person must certify that the declaration made does indeed include all shares or voting rights held or possessed, pursuant to Article L. 233-7 of the *Code de commerce*. It must also indicate the date(s) of acquisition or transfer of its shares.

Failure to comply with this notification obligation may result in the suspension for up to two years of the voting rights attached to the shares exceeding the 2.5% threshold that should have been reported, if requested in the minutes of a shareholders meeting by one or more shareholders holding equity securities representing at least 2.5% of the Company's share capital or voting rights. The two-year suspension will begin to run upon rectification of the notification.

TITLE III

ADMINISTRATION AND AUDIT OF THE COMPANY

Article 14 - BOARD OF DIRECTORS

1. Composition

The Company shall be administered by a Board of Directors established in accordance with the Law.
Directors shall be appointed and their positions renewed by an ordinary shareholders meeting, which may remove them at any time.

However, in the event of merger or split-up, Directors may be appointed by an extraordinary shareholders meeting.

Directors may be individuals or legal entities. Directors who are legal entities must, at the time of their appointment, designate a permanent representative, who shall be subject to the same conditions and obligations and who shall incur the same civil and criminal liability as if he were a Director on his own behalf, without prejudice to the joint and several liability of the legal entity that he represents. This mandate of permanent representative shall be given to him for the duration of the mandate of the legal entity that he represents; it must be renewed whenever the mandate of the legal entity is renewed.

When the legal entity revokes its representative, it must so notify the Company, immediately, by registered letter and appoint a new permanent representative under the same terms; the same shall hold true in the event of death or resignation of the permanent representative.

An individual Director may not, under the conditions provided for by Law, simultaneously sit on more than five boards of directors or supervisory boards of corporations that have their principal office in France, barring exceptions provided for by Law.

Any individual Director who, when receiving a new mandate, is in violation of the provisions of the preceding paragraph, must, within three months of his appointment, relinquish one of his mandates. Otherwise, he shall be considered to have relinquished his new mandate.

An employee of the Company may be appointed as Director only if his employment contract predates his appointment and that the contract corresponds to an actual job. The number of Directors bound to the Company by an employment contract may not exceed one third of the Directors in office.

2. Age Limit - Term of Office

At no time may the number of Directors who have passed the age of seventy years exceed one half of the members of the Board of Directors. If that limit is reached, the eldest Director other than the Chairman of the Board of Directors shall be considered to have resigned automatically.

The term of the office of Directors shall be of four years.

The term of the office of Directors shall expire at the end of the shareholders meeting that approves the accounts of the previous fiscal year, held in the year during which their mandate expires.

Directors may always be reelected.

3. Vacancy of Seats - Cooptation

In the event of vacancy due to the death or resignation of one or more of the Directors, the Board of Directors may make temporary appointments between two shareholders meetings.

However, if only one or two Directors remain in office, such Director or Directors, or otherwise the auditor(s), must immediately convene the ordinary shareholders meeting to fill the remaining seats on the Board of Directors.

Provisional appointments made by the Board of Directors shall be subject to confirmation by the next ordinary shareholders meeting. In the absence of such confirmation, the resolutions adopted and the acts accomplished previously by the Board of Directors shall remain valid nevertheless.

A Director appointed in replacement of another shall remain in office only for the un-elapsed remainder of his predecessor's term of office.

Article 15 - CHAIRMAN—ORGANIZATION OF THE BOARD OF DIRECTORS

1. From among its individual members, the Board of Directors shall elect a Chairman and set his term of office, which term may not exceed his term of office as Director.

The Chairman may not be more than eighty years of age. Should he pass that age, he shall be considered to have resigned automatically.

In the case of a temporary incapacity or death of the Chairman, the Board of Directors may appoint a Director to assume the role of Chairman. Should the Chairman be temporarily incapacitated, this appointment is given for a limited duration and is renewable. In the case of the death of the Chairman, this appointment shall last until the election of a new Chairman.

2. The Chairman shall organize and supervise the work of the Board of Directors, for which the Chairman is accountable to the shareholders at the shareholders general meeting. The Chairman shall watch over the running of the corporate bodies of the Company and, in particular, shall make sure that the Directors are capable of fulfilling their tasks.

3. Should the Chairman be absent or unavailable to preside over a meeting of the Board of Directors, the Board of Directors shall appoint, for that meeting, one of its members present to chair the meeting.

4. At each meeting, the Board of Directors may appoint a secretary, who needs not be one of its members or a shareholder of the Company.

5. The Board of Directors may, if it deems it necessary, adopt rules of procedure applicable to the Board and make any changes to such regulations it may deem desirable or necessary.

Article 16 - DELIBERATIONS OF THE BOARD

The Board of Directors shall meet as often as the interest of the Company so dictates, but at least once every three months, upon notice from the Chairman.

The Chairman of the Board of Directors shall also, within the conditions provided for by Law, call a meeting with such notice upon request of one-third of the Board's members, or of the Chief Executive Officer ("*Directeur général*"). The Chairman is bound by the requests that are made in this manner.

The Board of Directors shall either meet at the principal office of the Company or at any other location indicated in the notice of meeting addressed to each Director by first class or registered mail, by facsimile or by electronic mail.

The Board of Directors may also meet upon verbal notice, and the agenda for such a meeting may remain unset until the actual time of the meeting if all the Directors in office are present at such meeting, or, as necessary, are present at the meeting via videoconference or telecommunication in compliance with the Law and the Directors agree to the agenda.

An attendance register shall be kept and signed by the Directors participating in a meeting of the Board of Directors.

One Director may authorize another Director to represent him at a meeting of the Board of Directors, but each Director may use, at any given meeting, only one of the proxies that he has received. Proxies may be given by simple letter and even by telegram, but one and the same proxy may not be used for more than one meeting.

For deliberations to be valid, the presence in person and/or by videoconference or telecommunication in compliance with the Law and/or the representation by proxy in accordance with the preceding paragraph, of at least one half of the Directors shall be necessary.

Decisions shall be made by majority vote of members present, or, if the case arises, participating by videoconference, by telecommunication or represented in compliance with the Law; each Director present and/or participating by videoconference or by telecommunication in compliance with the Law shall have one vote unless he represents one of his colleagues, in which case the said Director shall have two votes.

In the event of a tie vote, the vote of the Chairman of the meeting shall be decisive.

For all decisions and where not prohibited by applicable Law or the by-laws, the Board of Directors may provide that Directors who participate in a meeting of the Board of Directors by videoconference or telecommunication will be considered present for the calculation of quorum and majority, in compliance with the Law.

At the Chairman's request, members of the Company's management and notably, the *Directeur général* if not a Director, may attend meetings of the Board of Directors, with the right to speak in an advisory capacity.

Directors are required not to disclose, even after the termination of their functions, any information concerning the Company and which disclosure would be likely to cause prejudice to the interests of the Company, excluding cases in which such disclosure is required or permitted by the provisions of the Law or is in public interest. Moreover, directors, as well as all persons called to attend meetings of the Board of Directors, are held to the highest level of discretion with regard to confidential information presented as such by the Chairman of the Board of Directors.

Article 17 - MINUTES

Deliberations of the Board of Directors shall be recorded in minutes, entered or bound into a special register, numbered, initialed and kept pursuant to the Law.

Minutes shall be signed by the Chairman of the meeting and by at least one Director. Should the Chairman of the meeting be unavailable, they shall be signed by at least two Directors.

Copies or extracts of such minutes, in the event they are to be produced in courts of law or elsewhere, shall be validly certified by the Chairman of the Board of Directors, the *Directeur général*, the Director temporarily delegated to act as Chairman or an agent empowered for such purpose.

Article 18 - POWERS OF THE BOARD OF DIRECTORS - COMMITTEES

The Board of Directors shall determine the direction of the Company's business, oversee their implementation and discuss the conduct of business of the Company and its foreseeable evolution.

Within the limit of powers expressly allocated by Law to the shareholders meetings, the Chairman of the Board of Directors or the *Directeur général*, within the limit of the Company's corporate purpose, the Board shall take up all questions concerning the Company's affairs and settle all such business through its deliberations.

The Board shall carry out all inspections and review that it judges appropriate. The Chairman or the *Directeur général* of the Company shall convey to each Director all documentation and information necessary to accomplish his mission.

Generally, the Board of Directors makes all decisions and exercises all its prerogatives which, by virtue of the Law or the current by-laws, come within its powers.

The prior approval of the Board of Directors is required for the following transactions:

1. Guarantees, endorsements and warranties given by the Company, under the conditions determined by Article L. 225-35 of the *Code de commerce*;

2. Regulated agreements, under the conditions determined by Article 22 of these by-laws;

3. Acquisition or disposal of entities, assets or holdings (excluding intragroup transactions); and

4. External financing (bank or capital markets);

   it being understood that, for the trnsactions referred to in paragraphs 3. and 4. above, the prior approval of the Board of Directors is required provided that the amount of such transaction exceeds the thresholds determined at the beginning of the year by the Board of Directors drawing

up the accounts of the past fiscal year and that shall remain valid until the next Board of the same type.

In relations with third parties, the Company shall be committed by the acts of the Board of Directors that are not within the corporate purpose, unless it proves that the third party was aware of the fact that the act exceeded such purpose or could not have been unaware of it, considering the circumstances. Any decisions that would limit the powers of the Board of Directors shall not be enforceable with regard to third parties.

The Board of Directors may grant, to agents of its choosing, any delegation of powers to the extent that such powers are conferred by Law and by these by-laws.

The Board of Directors alone may decide to form committees to study questions that it or its Chairman submits for examination for the purposes of rendering an opinion. It shall establish the composition and powers of such committees, which shall perform their activities under its responsibility.

Article 19 - GENERAL MANAGEMENT - DELEGATION OF POWERS - CORPORATE SIGNATURE

1. The general management of the Company shall be undertaken, and assumed as his responsibility, either by the Chairman of the Board of Directors, who shall take the title of Chairman and Chief Executive Officer *("Président-Directeur general")*, or by another individual appointed by the Board of Directors, which will determine the term of his office, who shall take the title of *Directeur général.*

   The Board of Directors shall choose between these two methods of exercising the general management of the Company by majority vote of two-thirds of its members present or represented.

   Shareholders and third parties will be informed of the choice made by the Board of Directors in the manner provided for by Law.

2. The *Directeur général* may be dismissed at any time by the Board of Directors. If dismissal is without cause, costs for damages and related interest may arise, unless the *Directeur général* is also Chairman of the Board of Directors.

3. The *Directeur général* shall be vested with the broadest powers to act under any circumstance on behalf of the Company. He shall exercise these powers within the limits of the corporate purpose and subject to the powers expressly attributed by Law to the shareholders meetings and the Board of Directors.

   The *Directeur général* represents the Company in its relations with third parties. Any limitation on these powers decided by decision of the Board of Directors is not enforceable with regard to third parties. In relations with third parties, the Company shall be committed by acts of the *Directeur général*, notwithstanding that such acts may not be within the corporate purpose, unless the Company proves that the third party was aware of the fact that the act exceeded such purpose or could not have been unaware of it, considering the circumstances, it being understood that the publication of these by-laws alone does not suffice to constitute such proof.

The *Directeur général*, as well as *directeurs généraux délégués*, may grant to the agents of their choosing any delegation of powers to the extent that such powers are conferred by law and by these by-laws. In accordance with Article 706-43 of the French code of criminal procedure ("*Code de procédure pénale*"), the *Directeur* général may delegate to any person of his choice the power to represent the Company in criminal proceedings which may be instituted against the Company.

4. Upon the recommendation of the *Directeur général*, the Board of Directors may appoint one or more natural persons, whether or not directors, to assist the *Directeur général* under the title of *directeur général délégué* (meaning deputy of Directeur général). The maximum number of *directeurs généraux délégués* that may be appointed is five.

5. The Directeur *général* and *directeurs généraux délégués* must not be more than sixty-five years of age. If the *Directeur général* or a *directeur général délégué* in office comes to exceed that age, he shall be considered to have resigned automatically.

6. Each *directeur general délégué* can be dismissed at any time by the Board of Directors, upon proposal from the *Directeur général*. If dismissal is without cause, costs for damages and related interest may result. In the event of death, resignation or dismissal of the *Directeur général*, any *directeur general délégué* shall retain, unless otherwise decided by the Board of Directors, his or her responsibilities and powers until the new *Directeur général* is appointed.

   In agreement with the *Directeur général*, the Board of Directors determines the scope and duration of the powers vested in the each *directeur general délégué*. With respect to third parties, each *directeur général délégué* shall have the same powers as the *Directeur général*.

Article 20 - COMPENSATION OF DIRECTORS, CHAIRMAN OF THE BOARD OF DIRECTORS, GENERAL MANAGEMENT, AGENTS OF THE BOARD OF DIRECTORS AND COMMITTEE MEMBERS

1. Shareholders at shareholders meetings may allocate a fixed annual sum to the Directors, in compensation for their duties, through director's fees.

   The Board of Directors shall distribute such compensation freely among its members and may also decide that directors who are members of the Committees that the Board creates shall receive a part of director's fees higher than that of other Directors.

2. The compensation of the Chairman of the Board of Directors and the compensation of the *Directeur general*, and, as the case may be, the compensation of the *Directeurs généraux délégués,* shall be determined by the Board of Directors. It may be fixed or proportional, or both.

3. Under the conditions provided by Law, the Board of Directors may allocate exceptional compensation for tasks or mandates entrusted to Directors, and especially when those Directors are also members of the Committees created by the Board. The Board of Directors may also authorize the reimbursement for costs and expenses incurred by the Directors in the interest of the Company.

4. No compensation, whether permanent or not permanent, may be paid to Directors other than those who are also members of the General Management and those bound to the Company by an employment contract under the conditions provided by Law.

Article 21 - LIABILITY OF DIRECTORS AND GENERAL MANAGEMENT

The Directors or *Directeur général* of the Company shall be liable to the Company or to third parties, for violations of applicable provisions of the Law governing corporations, for violations of these by-laws, and for mismanagement, all under the conditions and subject to the penalties provided for by Law.

Article 22 - REGULATED AGREEMENTS

All agreements entered into, directly or by intermediaries, between the Company and one of its Directors, its *Directeur général*, one of its *directeurs généraux délégués*, one of its shareholders holding more than 10% of voting rights, or in the case of a corporate shareholder, the company controlling it within the meaning of Article L. 233-3 of the *Code de commerce*, shall be subject to prior approval of the Board of Directors if the agreement is not within the ordinary course of business and does not contain normal business terms.

The same procedures apply to any other agreements, unless they are entered into in the ordinary course of business under normal business terms, in which one of the persons named in the above paragraph have an indirect interest.

Are also subject to prior consent of the Board all agreements other than those entered into within the ordinary course of business and under normal business terms, made between the Company and another firm, if one of the Directors, the *Directeur général* or one of the *directeurs généraux délégués* of the Company is the owner, general partner, manager, director, *directeur général*, member of the Supervisory Board or generally responsible for the management of such firm.

The provisions of Articles L. 225-40 to L. 225-42-1 of the *Code de commerce* shall apply to these agreements.

Article 23 - INDEPENDENT AUDITORS

At least two principal independent auditors shall be appointed to perform the audits of the Company as provided under the Law.

Their permanent task shall be, without any interference in the management of the Company, to audit the books and the assets of the Company and to oversee the accuracy and genuineness of the corporate financial statements.

At least two alternate independent auditors shall be appointed. They shall be called to replace the principal independent auditors in the event of unforeseen difficulties, refusal, resignation or death.

The independent auditors must be summoned to all shareholders meetings and to the meetings of the Board of Directors in which the accounts of the past fiscal year, or the semi current fiscal year, are drawn up.

TITLE IV

SHAREHOLDERS MEETINGS

Article 24 - NATURE OF SHAREHOLDERS MEETINGS

The decisions of shareholders shall be made at shareholders meetings.

Ordinary shareholders meetings shall be those that are held to make any decisions that do not amend the by-laws.

Extraordinary shareholders meetings shall be those called to decide or authorize direct or indirect amendments to the by-laws.

Special shareholders meetings shall be held to assemble shareholders of a specific class, should one be created, to rule on a change in the rights pertaining to the shares in that class.

Deliberations of shareholders meetings shall be binding for all shareholders, even those who are absent, in disagreement or unavailable.

Article 25 - NOTICE OF MEETING AND PROCEDURE OF SHAREHOLDERS MEETINGS

Shareholders meetings shall be called either by the Board of Directors or, failing that, by the independent auditor(s). One or more shareholders who together hold at least 10% of the subscribed capital may also (i) request the Board of Directors to call and (ii) set the agenda of such shareholders meeting. The request to convene the meeting shall set out the items to be put on the agenda.

During the liquidation period, shareholders meetings shall be called by the liquidators.

Shareholders meetings shall be held at the principal office or at any other location indicated in the notice of meeting.

Notice shall be given by a summons published in a journal of legal notices of the *département* in which the principal office is located and in the *Bulletin des Annonces Légales Obligatoires.*Shareholders who have held registered shares for at least one month on the date of publication of the notice of such meeting shall also be called to all shareholders meetings by regular mail or, at their request and at their expense, by registered letter or by any other means authorized by Law.

Shareholders meetings may not be held fewer than 15 days after the notice of meeting is published or after the letter is sent to the registered shareholders.

When a shareholders meeting cannot duly deliberate, because it fails to meet the required quorum, a second shareholders meeting and, if required, an extended second shareholders meeting, shall be called under the same form as the first one and the notice of such meeting shall state the date of the first meeting and reproduce its agenda.

Article 26 - AGENDA

1. The agenda for a shareholders meeting shall be drawn up by the Board of Directors, if notice of the meeting is prepared by the Board of Directors, or by the author of the notice if other than the Board of Directors.

2. One or more shareholders, representing at least the required percentage of the registered capital, as well as the workers' committee of the Company, shall have the authority to request, under the conditions provided by the Law, that draft resolutions be placed on the agenda. One or more

shareholders, representing at least the required percentage of the share capital, also have the possibility to require the inclusion of matters on the agenda in accordance with the Law.

3. A shareholders meeting may not deliberate on a matter that is not on the agenda, which agenda may not be changed on second convocation. However, in any instance, a shareholders' meeting may remove one or more Directors and replace them.

Article 27 - ADMISSION TO SHAREHOLDERS MEETINGS - PROXIES

1. All shareholders shall have the right to participate personally or through an agent in shareholders meetings and deliberations, as soon as amounts due on their shares are paid-up and provided that:

- for owners of registered shares: the shareholder is registered on the third trading day at 00:00 am Paris time prior to the date of the shareholders meeting in the registered accounts kept by the Company or its agent,

- for owners of bearer shares: the shareholder is registered on the third trading day at 00:00 am Paris time prior to the date of the shareholders meeting, in the bearer accounts kept by the financial intermediary (bank, financial institution or brokerage firm) in charge of keeping their accounts, this registration being acknowledged by a certificate (*"attestation de participation"*) issued by the latter.

2. Any shareholder may vote by correspondence using a form that may be sent to him under the conditions stated in the notice of the shareholders meeting. This form, duly completed, must reach the Company at least three days before the date of the shareholders meeting; otherwise, the information set forth therein shall not be taken into account.

3. A shareholder may be represented in accordance with the terms established by the Law .
Legal representatives of legally incapacitated shareholders and shareholders who are legal entities shall be represented by physical persons authorized to represent them with respect to third parties or by any person to whom said physical persons have delegated their power of representation.

4. A shareholder not domiciled in France, within the meaning of Article 102 of the French *Code civil*, may be represented at the shareholders meeting by an intermediary registered under the conditions provided by the Law. This shareholder is therefore considered present at the meeting for the calculation of a quorum and a majority.

5. If the Board of Directors so decides when the meeting is called, any shareholder may participate and vote at meetings by videoconference or by other means of telecommunication permitting identification and effective participation of the shareholder, under the conditions and following the methods provided for by the Law. Such shareholder will therefore be represented for the calculation of a quorum and a majority of the shareholders.

Article 28 - PROCEDURE OF SHAREHOLDERS MEETING - OFFICERS - MINUTES

1. An attendance sheet shall be initialed by the attending shareholders and by an attorney, to which shall be attached the proxies given to each agent as well as any absentee ballots. It shall be certified as accurate by the officers of the shareholders meeting.

2. Shareholders meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Director specifically delegated by the Board of Directors for that purpose.

If the meeting is called by the independent auditors or by an agent, the shareholders meeting shall be chaired by the author of the notice. Otherwise, the shareholders meeting shall itself elect its Chairman.

Two shareholders, present and in agreement, who represent, both for themselves and as agents, the greatest number of votes shall act as vote counters.

The officers thus designated shall appoint a Secretary, who need not be a shareholder.

3. Deliberations of shareholders meetings shall be recorded in minutes signed by the officers of the meeting and entered in a special register as prescribed by Law. Copies or extracts of such minutes shall be validly certified under the conditions set by Law.

Article 29 – QUORUM — VOTE

1. The quorum shall be calculated based on all shares comprising the registered capital, except at special shareholders meetings, where it shall be calculated based on all shares of the class involved, less shares without voting rights as prescribed by Law.

   In the event of absentee voting, only ballots duly completed and received by the Company at least three days prior to the date of the meeting shall be taken into account for calculating the quorum.

2. The voting right attached to beneficially-owned shares or bare-owned shares shall be proportional to the percentage of the capital that they represent. Each share shall give the right to one vote.

   Nevertheless, a double voting right is attached to all fully paid-up shares for which a nominative registration is established for at least two years in the name of the same holder. In case of capital increase by incorporation of reserves, profits or premiums, this double voting right will be attached, on the date of their issue, to nominative shares newly allotted to a shareholder in consideration for its old shares entitling him to such right.

3. Voting shall be by show of hands, or by roll call, or secret ballot, as decided by the officers of the shareholders meeting or the shareholders.

   As provided in Article 28 above, voters may also vote by absentee ballot, or if the case arises, by videoconference or by any other means of communication permitting the identification of the shareholder, and under conditions and following the methods provided for by the Law.
   For the calculation of the majority, the votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has returned a blank or spoilt ballot paper.

   Only absentee ballots duly completed and received by the Company at least three days prior to the date of the meeting shall be taken into account for calculating the majority.

Article 30 - ORDINARY SHAREHOLDERS MEETING

An ordinary shareholders meeting shall make any decisions that exceed the powers of the Board of Directors and which do not amend the by-laws. An ordinary shareholders meeting shall meet at least once per year, within six months of the close of the fiscal year, to approve the capital and, as the case may be, the consolidated accounts of that fiscal year, subject to extension of this deadline by decision of a court of law.

Upon first notice, an ordinary shareholders meeting shall deliberate validly only if the shareholders present and represented, or voting by absentee ballot and, if the case arises, by videoconference or by any other means of telecommunication permitting their identification and their effective participation to the shareholders meeting in compliance with the Law, possess at least one-fifth of the shares with voting rights. No quorum shall be required on the second notice.

The ordinary shareholders meeting shall rule by the majority of the votes validly cast. For the calculation of the majority, the votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has returned a blank or spoilt ballot paper.

Article 31 - EXTRAORDINARY SHAREHOLDERS MEETING

An extraordinary shareholders meeting may amend any provisions of the *by-laws* and notably may decide to convert the Company into a corporation ("*société anonyme*"). It may not, however, increase the liabilities of the shareholders unless it is the result of transactions involving a consolidation of shares validly effectuated.

An extraordinary shareholders meeting may deliberate validly only if the shareholders present or represented, or voting by absentee ballot and, if the case arises, by videoconference or by any other means of telecommunication permitting their identification and their effective participation to the shareholders meeting in compliance with the Law, possess at least, on first notice, a quarter of the shares and, on second notice, one fifth of the shares with voting rights. In the absence of such quorum, the second extraordinary shareholders meeting may be postponed to a later date up to two months following the date for which it was called.

An extraordinary shareholders meeting shall rule by two-thirds majority of the validly cast votes, unless otherwise provided by the Law, particularly in a capital increase by incorporation of reserves, profits or share premiums, in which case the shareholders deliberate at quorum and majority required for Ordinary shareholders meeting. For the calculation of the majority, the votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has returned a blank or spoilt ballot paper.

In the case of extraordinary shareholders meetings that are constitutive in nature (*i.e.*, those called to deliberate over the approval of a contribution in kind or the granting of a special benefit), the contributor or the beneficiary, whose shares shall not be taken into account for calculating the majority, shall have no right to vote neither for himself nor as agent.

Article 32 - SPECIAL MEETINGS

If there are several classes of shares, no change may be made to the rights of the shares of one such class, without the due vote of an extraordinary shareholder meeting open to all shareholders and, in addition, without also a due vote of a special meeting open only to the owners of the shares of the class in question.

The special meeting may deliberate validly only if the owners of the shares of the class in question, present or represented, or voting by absentee ballot and, as the case may be, by videoconference or by any other means of telecommunication permitting their identification and their effective participation to the shareholders meeting in compliance with the Law, possess at least, on first notice, one third of the shares with voting rights and, on second notice, one fifth of the shares with voting rights. In the absence of such quorum, the second meeting may be postponed to a later date up to two months following the date for which it was called.

A special meeting shall rule by two-thirds majority of the validly cast votes. For the calculation of the majority, the votes cast shall not include votes attaching to shares in respect of which the shareholder has not taken part in the vote or has returned a blank or spoilt ballot paper.

Article 33 - SHAREHOLDER RIGHT OF DISCLOSURE

Any shareholder shall have the right to obtain, under the conditions and at the times set by Law, disclosure of the documents necessary to enable him to make an informed decision and make a judgment as to the management and audit of the Company. The nature of such documents and the conditions of their conveyance or disclosure shall be determined by the Law.

TITLE V

FISCAL YEAR - ANNUAL FINANCIAL STATEMENTS ALLOCATION AND DISTRIBUTION OF PROFITS - DIVIDENDS

Article 34 - FISCAL YEAR

The fiscal year shall last for 12 months. It shall commence on January 1 and end on December 31 of each year.

Article 35 - ANNUAL FINANCIAL STATEMENTS

Regular accounting shall be kept of the corporate transactions pursuant to Law and commercial practice.

At the close of each fiscal year, the Board of Directors shall draw up an inventory of the various assets and liabilities. It shall also draw up the annual financial statements and, as the case may be, the consolidated financial statements.

The Board of Directors shall draw up forecast accounting documents under the conditions prescribed by Law.

All such documents shall be made available to the independent auditors as prescribed by the Law.

Article 36 - ALLOCATION AND DISTRIBUTION OF PROFITS

In accordance with the Law, a sum is to be placed in reserve from the profit of each year less previous losses. Five percent (5%) shall be withdrawn to form the legal reserve fund; such withdrawal shall cease to be mandatory once said fund reaches one-tenth of the registered capital; it shall become mandatory once again when, for any reason, the legal reserve drops below that percentage.

The distributable profit shall consist of the fiscal year profit less prior losses and sums placed in reserve pursuant to the Law or the by-laws, plus retained earnings.

From the distributable profit, the shareholders meeting shall withdraw the sums deemed appropriate for allocation to any ordinary or extraordinary optional reserve funds, or for carry forward.

The balance, if any, shall be distributed among all the shares in proportion to the unamortized and paid-in amount thereof.

Except in the event of a decrease in capital, no distribution may be made to shareholders when the shareholders' equity is below, or as a result of such distribution might fall below, the level of equity (including reserves) which the Law or the by-laws do not allow to be distributed.

The shareholders meeting may decide to distribute sums withdrawn from the reserves that are at their disposal, either to furnish or complete a dividend, or as an exceptional distribution; in such case, the decision shall expressly state the reserve items from which the withdrawals are made. However, dividends shall first be distributed from the fiscal year's distributable profit.

Following the approval of the accounts by the shareholders meeting, any losses shall be entered in a special account to be charged to the profits of subsequent fiscal years until the losses are paid off.

Article 37 - PAYMENT OF DIVIDENDS

The payment procedures for cash dividends shall be set by the shareholders meeting or, failing that, by the Board of Directors.

In either case, cash dividends must be paid within a maximum period of nine months of the end of that fiscal year, unless otherwise authorized by a court order.

If a balance sheet prepared during the course of, or at the end of, an accounting period and certified by the independent auditors shows that the Company has made a profit since the closing of the previous accounting period and after deduction of any necessary amortization, depreciations and reserves, and after deduction of any losses carried forward from prior periods and the sums allocated to reserves in accordance with the Law, interim dividends may be distributed before the accounts for the financial year are approved. The amount of such interim dividends shall not exceed the amount of the profit thus defined.

The shareholders meeting that approve the fiscal year's financial statements shall have the authority to give each shareholder, under the conditions of the Law, the option of payment in cash or in stock for all or part of the dividend or interim dividends distributed.
The Company may not demand any recovery of a dividend, unless the distribution was made in violation of the Law and if the Company establishes that the beneficiaries were aware of the irregular nature of such distribution at the time it was made or could not have been unaware of it considering the circumstances.

The action for recovery shall be barred three years after the payment of such dividends. Dividends not claimed within five years of their payment lapse.

TITLE VI

SERIOUS LOSSES - DISSOLUTION - LIQUIDATION

Article 38 - SHAREHOLDERS' EQUITY LESS THAN HALF OF REGISTERED CAPITAL

If, due to losses recorded in the accounts, the Company's shareholders' equity becomes less than one half of the registered capital, the Board of Directors must, within four months following the approval of the financial statements showing such losses, call an extraordinary shareholders meeting to decide whether it is appropriate to dissolve the Company early.

If the dissolution is not pronounced, subject to the provisions of the Law regarding minimum registered capital and within the time period set by Law, the registered capital must be reduced by an amount equal to the amount of the losses that could not be charged to the reserves, if within that time period the shareholders' equity has not been restored to a value at least equal to one half of the registered capital.

In all cases, the decision of the shareholders meeting must undergo the publication formalities required by the provision of the Law applicable.

If these provisions are not observed, any interested party may bring legal action to dissolve the Company. The same shall hold true if the shareholders have been unable to deliberate validly.

In any event, a court may not pronounce the dissolution if, on the day of its judgment on the merits, the rectification has occurred.

Article 39 - DISSOLUTION - LIQUIDATION

Aside from dissolution of the Company provided by Law, and barring proper extension, the Company shall be dissolved at the end of the time period set by the by-laws or pursuant to a decision of an Extraordinary shareholders meeting.

One or more liquidators shall then be appointed by the extraordinary shareholders meeting under the quorum and majority conditions provided for ordinary shareholders meetings.

The liquidator shall represent the Company. All Company assets shall be sold off and the liabilities shall be paid by the liquidator, who shall be vested with the broadest powers.

The liquidator shall then distribute the available balance.

The shareholders meeting may authorize the liquidator to continue the business in progress or to undertake new business for the needs of the liquidation.

The net assets existing after paying back the nominal value of the shares shall be distributed equally among all shareholders.

If all shares are held by one party, any decision as to dissolution, whether it is voluntary or court-ordered, shall entail the transfer of the corporate assets to the single shareholder, under the conditions provided by Law, and there shall be no need for liquidation.

TITLE VII

DISPUTES

Article 40 - DISPUTES

Any disputes that might arise during the existence of the Company or after its dissolution during the course of the liquidation transactions, either between the shareholders, the administrative or management bodies and the Company, or between the shareholders themselves, concerning the business of the Company or the interpretation or performance of these by-laws, shall be adjudged pursuant to law and brought before the appropriate French courts of law.