

**LVMH**

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**MOËT HENNESSY ♦ LOUIS VUITTON**

**BYLAWS**

**BYLAWS UPDATED ON JULY 27, 2020**

This document is a free translation into English of the original French *Statuts*, hereafter referred to as the “Bylaws”. It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

**PART I**

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

**ARTICLE 1 - LEGAL FORM**

The Company, which was formed on April 19, 1962 by way of conversion of a *Société à Responsabilité Limitée* to a *Société Anonyme*, has been converted to a European Company (Societas Europaea or “SE”) by decision of the Extraordinary Shareholders’ Meeting of April 10, 2014. It is governed by European Community and national provisions in effect, and by these Bylaws.

**ARTICLE 2 - CORPORATE PURPOSE**

1. Acquisition of interests, through a direct or indirect equity investment, contribution, merger, spin-off or joint venture, in any company or group in existence or yet to be formed, conducting any commercial, industrial, agricultural, property, real estate or financial business, including in particular:
  - trade in champagne and other wines, cognac and other spirits and, more generally, any food or beverage product;
  - trade in all pharmaceutical products, perfumes and cosmetics and, more generally, products related to hygiene, beauty and skincare;
  - the manufacture, sale and promotion of travel goods, luggage, bags, leather goods, articles of clothing, accessories, and any high-quality branded articles or products;
  - the operation of vineyards, horticultural and arboricultural estates, as well as the development of related biotechnology processes;
  - the management of real estate;
  - the use of any trademark, signature, model, design and, more generally, any industrial, literary or artistic property right.
2. More generally, to directly conduct commercial, industrial, agricultural, winegrowing, land, property, real estate, financial, management or service business in any of the fields described in Item 1 above.

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**ARTICLE 3 - CORPORATE NAME**

The name of the Company is:

**LVMH  
MOËT HENNESSY LOUIS VUITTON**

All deeds and documents issued by the Company and addressed to third parties, including but not limited to letters, invoices, advertisements and publications, must indicate the Company's name, immediately preceded or followed by the words "*Société Européenne*" or "Societas Europaea" or the initials "SE", which must appear legibly, together with the amount of share capital, the place at which the Company is registered and the number under which it is registered in the Trade and Companies Register.

**ARTICLE 4 - REGISTERED OFFICE**

The address of the Company's registered office is 22 avenue Montaigne – 75008 Paris (France).

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

**ARTICLE 5 - TERM**

The term of the Company, which came into existence on January 1, 1923, shall expire on December 31, 2115, except in the event of early dissolution or extension as provided by these Bylaws.

**PART II**

**SHARE CAPITAL AND SHARES**

**ARTICLE 6 - SHARE CAPITAL**

1. The share capital is set at 151,427,201.70 euros (one hundred fifty-one million four hundred twenty-seven thousand two hundred one euros and seventy cents) divided into 504,757,339 (five hundred four million seven hundred fifty-seven thousand three hundred thirty-nine) fully paid-up shares with a par value of 0.30 euro each.

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## MOËT HENNESSY ♦ LOUIS VUITTON

287,232 shares of FRF 50 were issued further to the net contribution, valued at FRF 34,676,410, completed upon the merger with Champagne Mercier.

772,877 shares of FRF 50 were issued further to the contribution by the shareholders of Jas Hennessy & Co. of 772,877 shares of said company, valued at FRF 407,306,179.

2,989,110 shares of FRF 50 were issued further to the net contribution, valued at FRF 1,670,164,511, completed upon the merger with Louis Vuitton.

1,343,150 shares were issued further to the contribution made by BM Holding, of 1,961,048 shares of Le Bon Marché, Maison Aristide Boucicaut, valued at FRF 1,700,000,000.

18,037,011 shares with a nominal value of EUR 0.30 were issued further to the contribution made by Paolo Bulgari, Nicola Bulgari and Francesco Trapani of 166,382,348 Bulgari shares, valued at EUR 2,038,183,763.

2. The share capital may be increased by a resolution passed at an Extraordinary Shareholders' Meeting. However, if the capital is increased through the capitalization of reserves, profits or issue premiums, the shareholders at the Shareholders' Meeting shall vote subject to the quorum and majority requirements of Ordinary Shareholders' Meetings. The shareholders may vote at an Extraordinary Shareholders' Meeting to delegate to the Board of Directors, in any manner authorized by law and regulations, the necessary authority and/or powers to decide on or carry out a capital increase or any other issue of securities.
3. The share capital may, pursuant to a resolution passed at an Extraordinary Shareholders' Meeting, be redeemed by making an equal repayment for each share from earnings or reserves other than the legal reserve, without such redemption causing the share capital to decrease.
3. The share capital may also be reduced by a resolution passed at an Extraordinary Shareholders' Meeting, by reducing either the par value of each share or the number of shares.

### **ARTICLE 7 - PAYMENT FOR SHARES**

The amounts to be paid for the shares to be subscribed in cash pursuant to an increase of the capital are payable as provided by the Extraordinary Shareholders' Meeting.

Upon subscription, the initial payment must not be less than one-fourth of the nominal value of the shares. Any issue premium must be paid in full on subscription.

The balance of the nominal value of the shares shall be paid, as provided by the Board of Directors, in one or more stages, no later than five years from the date at which the capital increase was completed.

Shareholders shall be informed of calls for funds at least eight days before the time set for each payment, either by registered letter with acknowledgement of receipt or by a notice inserted in a legal gazette published where the registered office is located.

The sums payable for the unpaid part of the shares are subject to a daily interest charge at a rate of 5% per annum, without need of court action, as from the date at which they fell due.

If the shares subscribed in cash are not fully paid up, upon issuance, they must be in the registered form and so remain until they are fully paid up.

**ARTICLE 8 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES**

The rights and obligations attached to a share follow the share to any transferee to whom it may be transferred; the transfer includes all the payable and unpaid dividends and dividends payable, as well as any corresponding share in reserves and provisions.

The ownership of a share shall imply ipso facto the acceptance of these Bylaws and of the decisions of the Shareholders' Meetings.

In addition to the voting rights that are legally attached to shares, each share entitles the holder to a share in the Company's assets, earnings, and any liquidation surplus proportional to the number and nominal value of the existing shares.

As the case may be, and subject to any statutory provision, all tax exemptions or charges as well as all taxation which may be borne by the Company shall be taken into account prior to any reimbursement either within the course of the life of the Company or upon its liquidation so that, according to their nominal value, all the existing shares of the same class shall receive the same net amount irrespective of their origin or their date of issuance.

The shareholders shall be responsible for any negative equity of the Company up to the nominal value of the shares they hold.

Whenever a certain number of shares is required in order to exercise a given right, any shareholders who do not hold the required number shall be responsible for forming a group with a sufficient number of shares.

**ARTICLE 9 - FORM AND TRANSFER OF SHARES**

Fully paid-up shares may be held in registered or bearer form, at the discretion of the shareholder, subject however to legal provisions concerning the form of shares held by certain persons.

The shares are registered in the accounts as provided by law and regulations in force.

However, certificates, or any other document, representing the shares may be issued as and when provided by law and applicable regulations.

The ownership of the shares in the registered form is evidenced by their registration in registered accounts.

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

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

The shares registered in accounts are freely transferable by transfer from one account to another.

Prior approval of the transferee is required only for partly paid-up shares.

All costs resulting from the transfer shall be borne by the transferee.

Shares with payments in arrears may not be transferred.

**PART III**

**SECURITIES**

**ARTICLE 10 - SECURITIES**

The Company may issue any security authorized by law.

Certificates, or any other document, representing securities may be issued as and when provided by law.

PART IV

CORPORATE GOVERNANCE

**ARTICLE 11 - BOARD OF DIRECTORS**

The Company is administered by a Board of Directors whose members are elected using two different procedures: (i) Directors appointed by vote of the shareholders at the Shareholders' Meeting; and (ii) Directors representing the employees appointed by the Group Works Council and, where applicable, by the SE Works Council.

11.1 Directors appointed by vote of the shareholders at the Shareholders' Meeting

11.1.1. Subject to the exceptions provided for by law, the Company shall be administered by a Board of Directors with between three and eighteen members, who may be individuals or legal entities, appointed by the shareholders voting at an Ordinary Shareholders' Meeting.

A legal entity must, at the time of its appointment, designate an individual who shall serve as its permanent representative on the Board of Directors. The term of office of a permanent representative is the same as that of the legal entity serving as a Director that he/she represents. If the legal entity dismisses its permanent representative, it must at the same time provide for his/her replacement. The same applies in the event of the death or resignation of the permanent representative.

11.1.2. Each Director must own at least five hundred (500) shares in the Company throughout his/her entire term of office.

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

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

11.1.4. Directors shall be appointed for three-year terms. The duties of a Director shall expire at the close of the Ordinary Shareholders' Meeting convened to approve the

financial statements for the preceding fiscal year and held in the year during which the term of office of that Director comes to an end.

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

Directors may always be reelected; they may be dismissed at any time by decision of the Shareholders' Meeting.

In the event of the death or resignation of one or more Directors, the Board of Directors may make provisional appointments between two Shareholders' Meetings.

Appointments made by the Board of Directors pursuant to the above paragraph are subject to ratification at the next Ordinary Shareholders' Meeting. Should the shareholders fail to ratify these provisional appointments, this shall not affect the validity of prior resolutions and acts of the Board of Directors.

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

A Director appointed to replace another Director whose term has not ended shall serve as a Director only for the remainder of his/her/its predecessor's term of office.

11.1.5. A salaried employee of the Company may only be appointed a Director if his/her employment contract antedates such appointment and corresponds to an actual position held within the Company. In such case, he/she shall not lose the benefit of his/her employment contract. The number of Directors bound to the Company by an employment contract may not exceed one-third of the Directors in office. The Director or Directors representing the employees are not taken into account when calculating the limit set out in this paragraph.

11.2 Directors representing the employees appointed by the Group Works Council and, where applicable, the SE Works Council

11.2.1. As provided by law, if the number of members of the Board of Directors, calculated in accordance with the provisions of Article L.225-27-1 II of the French Commercial Code, is less than or equal to eight, a Director representing the employees shall be appointed by LVMH's Group Works Council.

If the Board of Directors has more than eight members, a second Director representing the employees shall be appointed by the SE Works Council. If the number of members of the Board of Directors is initially more than eight but



subsequently falls to eight or fewer members, the Director appointed by the SE Works Council shall remain in office until the end of his/her term.

Pursuant to Article L.225-28 of the French Commercial Code, the Director representing the employees appointed by the LVMH Group Works Council must have entered into an employment contract at least two years prior to his/her appointment that corresponds to actual employment, either with the Company or with any of its direct or indirect subsidiaries whose registered office is in France. The Director representing the employees appointed by the SE Works Council must have entered into an employment contract at least two years prior to his/her appointment that corresponds to actual employment, either with the Company or with any of its direct or indirect subsidiaries.

The term of office of the Directors representing the employees will begin from the date of notice of the first meeting of the Board of Directors following their appointment by the Works Council that appointed them.

The Directors representing the employees are not taken into account in calculating the minimum or maximum number of Directors, as set by the French Commercial Code and under the provisions of this Article, nor in relation to the provisions of the first paragraph of Article L.225-18-1 of the French Commercial Code.

- 11.2.2. Pursuant to Article L.225-25, par. 3 of the French Commercial Code, the Directors representing the employees are not required to hold shares in the Company for the duration of their term of office.
- 11.2.3. The Director representing the employees shall be appointed for a term of three years expiring at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the preceding fiscal year and held in the year during which the term of office of that Director comes to an end. The term of the Director representing the employees is renewable.

The appointment of the Director representing the employees may be terminated early as provided by law and by this article, in particular if his/her employment contract is terminated (excluding intra-Group transfers). If the conditions for the application of Article L.225-27-1 of the French Commercial Code are no longer met at the end of a fiscal year, the term of office of the Director or Directors representing the employees shall end at the close of the meeting during which the Board of Directors observes that the Company no longer falls within the scope of application of the law.

Should the position of a Director representing the employees fall vacant for any reason, the vacant position shall be filled in accordance with the conditions set out in Article L.225-34 of the French Commercial Code, it being specified that until the date of replacement of the Director(s) representing the employees, the Board of Directors shall be able to hold valid proceedings.

11.2.4. Directors representing the employees are entitled to vote. Subject to the provisions specific to their role, the Directors representing the employees have the same powers, are subject to the same obligations (in particular as regards confidentiality) and incur the same liabilities as the other Directors.

**ARTICLE 12 - ORGANIZATION AND OPERATING PROCEDURES OF THE BOARD OF DIRECTORS**

The Board of Directors shall elect a Chairman, who must be an individual, from among its members. It shall determine his/her term of office, which cannot exceed that of his/her office as Director, and may dismiss him/her at any time.

The Board of Directors shall determine the Chairman's compensation.

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

The Board may elect one or more of its members as Vice-Chairmen and set their term of office, which may not exceed their term of office as a Director.

The officers of the meeting are the Chairman of the Board of Directors, any Vice-Chairmen, and the Secretary.

The Secretary may or may not be a Director or a shareholder. The Board sets his/her term of office. The Secretary may always be reelected.

**ARTICLE 13 - MEETINGS OF THE BOARD OF DIRECTORS**

1. The Board of Directors, convened by its Chairman, shall meet as often as is required by the interests of the Company, and in any event at least every three months.

Notice is served to each Director by any means, at least eight days prior to the meeting. The notice of meeting shall mention the agenda of the meeting as set by the person convening the meeting.

However, the Board may meet without notice and the agenda may be set at the opening of the meeting:

- if all serving Directors are present or represented; or
- if it is convened by the Chairman during a Shareholders' Meeting.

Moreover, a meeting of the Board of Directors may also be convened by any group of Directors, representing at least one-third of the members of the Board, if the Board has not met for more than two months. In such case, they shall indicate the agenda of the meeting.

Board meetings are held at the Company's registered office or at any other location in France or abroad.

2. Any Director may give another Director a proxy, by letter, cable, telex, or fax, to represent him/her at a Board meeting. However, each Director may only represent one proxy at any given Board meeting.

A meeting of the Board of Directors shall be valid if at least half of its members are present or represented.

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

Decisions are made by a majority of votes of the members present or represented, with each Director entitled to one vote for himself/herself and one for the Director he/she represents. In the event of a tie vote, the Chairman's vote is the deciding vote.

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

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

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

3. An attendance register shall be kept and signed by all Directors in attendance at each meeting of the Board of Directors.
4. In order to be valid, copies or abstracts of the minutes of meetings of the Board of Directors must be certified by the Chairman of the Board of Directors, the Chief

Executive Officer, the Secretary, a Director temporarily delegated to perform the duties of Chairman, or a representative duly authorized to that effect.

### **ARTICLE 14 - POWERS OF THE BOARD OF DIRECTORS**

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

In its relations with third parties, the Company is bound even by acts of the Board of Directors falling outside the scope of the corporate purpose, unless it demonstrates that the third party knew that the act exceeded such purpose or could not have ignored it given the circumstances, it being specified that mere publication of the Bylaws is not sufficient to establish such proof.

The Board of Directors performs such monitoring and verifications as it deems appropriate.

Each Director receives all necessary information for completing his/her assignment and may request any documents he/she deems useful.

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

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

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

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

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

## **ARTICLE 15 - POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS**

1. The Chairman of the Board of Directors shall chair Board meetings, organize and direct the work of the Board, and report on this work at Shareholders' Meetings. He/she shall ensure the proper operation of corporate bodies and, in particular, shall verify that the Directors are able to perform their duties.
2. In the event of the temporary incapacity or death of the Chairman, the Board of Directors may delegate a Director to perform the duties of Chairman.

In the event of temporary incapacity, this delegation is granted for a limited duration; it is renewable. In the event of death, it is granted until the election of the new Chairman.

## **ARTICLE 16 - EXECUTIVE MANAGEMENT**

1. Choice between the two methods of Executive Management

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

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

### 2. Chief Executive Officer

The Chief Executive Officer may or may not be chosen from among the Directors. The Board sets his/her term of office and compensation. The age limit for serving as Chief Executive Officer is seventy-five years. Should the Chief Executive Officer reach this age limit during his/her term of office, his/her appointment shall be deemed to have expired at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year during which the limit was reached.

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

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

He/she shall represent the Company in its relations with third parties. The Company is bound even by acts of the Chief Executive Officer falling outside the scope of the corporate purpose, unless it demonstrates that the third party knew that the act exceeded such purpose or could not have ignored it given the circumstances, it being specified that mere publication of the Bylaws is not sufficient to establish such proof.

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

### 3. Group Managing Directors

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

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

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

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

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

The age limit for serving as Group Managing Director is seventy years. Should a Group Managing Director reach this age limit during his/her term of office, his/her appointment shall be deemed to have expired at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the fiscal year during which the limit was reached.

**ARTICLE 17 - DELEGATION OF POWERS**

The Board of Directors may grant one or more Directors, or third parties, whether shareholders or not, with power of substitution, any powers, assignments and special offices for one or more specific purposes.

It may resolve to create committees responsible for studying such issues as it or the Chief Executive Officer submit thereto for examination. Such committees shall perform their duties at the discretion of the Board, which determines their membership and responsibilities, as well as any compensation of their members.

The Chief Executive Officer and the Group Managing Directors may, at their discretion, consent to partial delegations of authority to third parties.

**ARTICLE 18 - AGREEMENTS SUBJECT TO AUTHORIZATION**

Any agreement to be entered into between the Company and one of its Directors, its Chief Executive Officer or one of its Managing Directors, whether directly, indirectly or through an intermediary, must be submitted for prior approval by the Board of Directors under the conditions provided by law.

Such prior approval is also required for agreements between the Company and another entity, should one of the Directors, the Chief Executive Officer or one of the Group Managing Directors of the Company be the/an owner, partner with unlimited liability, company manager, Director, Chief Executive Officer, member of the Executive Board or Supervisory Board, or in a general sense senior executive of this other entity.

The same shall hold for any agreement entered into with a shareholder holding a proportion of voting rights greater than 10% or with any company which controls a company holding more than 10% of the Company's share capital.

The above provisions shall not apply to agreements concluded within the normal course of the Company's operations and at arm's length. The same shall hold for agreements entered into by two companies, one of which directly or indirectly holds all of the other company's share capital, where applicable less the minimum number of shares needed to meet the requirements of Article L.225-1 of the French Commercial Code.

**ARTICLE 19 - PROHIBITED AGREEMENTS**

Directors, other than legal entities, are prohibited from contracting loans from the Company in any form whatsoever; securing an overdraft from it, on current account or otherwise; or having the Company guarantee or secure their undertakings toward third parties.

The same prohibition applies to the Chief Executive Officer, the Group Managing Directors and permanent representatives of legal entities serving as Directors. It also applies to spouses, ascendants and descendants of the persons referred to in this article, as well as to all persons acting as intermediaries.

**ARTICLE 20 - COMPENSATION OF THE DIRECTORS**

1. Shareholders voting at an Ordinary Shareholders' Meeting may allocate to the Directors, in compensation for their services, a fixed annual sum, the amount of which shall be charged to the Company's operating expenses.

The Board of Directors shall divide all or a portion of this amount among its members as it deems fit.

2. The Board of Directors may authorize the reimbursement of travel expenses and other expenses incurred by the Directors in the Company's interest.
3. The Board of Directors may allocate special compensation to any Director for duties assigned or delegated to him/her pursuant to the provisions of Article 17 of these Bylaws. Such compensation, which shall be charged to the Company's operating expenses, shall be subject to the provisions of Article 18 of these Bylaws.
4. Apart from the amounts provided for under the previous three paragraphs, as well as the salaries of Directors legally bound to the Company by an employment contract and compensation, whether fixed or proportional, paid to the Chairman of the Board of Directors, any Director temporarily delegated to perform the duties of Chairman, the Chief Executive Officer and, where applicable, the Group Managing Directors, no other compensation, whether permanent or temporary, may be allocated to the Directors.



**ARTICLE 21 - ADVISORY BOARD**

Shareholders at the Shareholders' Meeting may, upon proposal of the Board of Directors, appoint Advisory Board members, whose number shall not exceed nine.

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

The Advisory Board members, who are chosen from among the shareholders on the basis of their qualifications, shall constitute an Advisory Board.

Advisory Board members are appointed for a three-year term ending at the close of the Ordinary Shareholders' Meeting convened to approve the financial statements for the preceding fiscal year and held in the year during which their term of office comes to an end.

Advisory Board members are invited to meetings of the Board of Directors and are consulted for decision-making purposes, though their absence does not affect the validity of the Board of Directors' proceedings.

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

The Board of Directors may allocate fees to the Advisory Board members, the amount of which will be set off from the total annual amount allocated by the Shareholders' Meeting to the members of the Board of Directors.

**ARTICLE 22 - STATUTORY AUDITORS**

The Company shall be audited, as provided by law, by one or more Statutory Auditors legally entitled to be elected as such. When the conditions provided by law are met, the Company must appoint at least two Statutory Auditors.

Each Statutory Auditor is appointed at the Ordinary Shareholders' Meeting.

One or more Alternate Statutory Auditors, who may be called on to replace the Principal Statutory Auditors in the event of their death, resignation, inability or refusal to perform their duties, shall be appointed at the Ordinary Shareholders' Meeting.

**ARTICLE 23 - SHAREHOLDERS' MEETINGS**

1. Shareholders' Meetings shall be convened and held as provided by law. The agenda of a Shareholders' Meeting shall be stated on the convening notice and letters, and is set by the person issuing the notice.

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

If the Shareholders' Meeting is not able to validly conduct business due to a lack of quorum, a second Meeting or, as the case may be, a prorogated second Meeting, shall be convened in the same way, at least ten days prior to this second Meeting. Notice and convening letters relating to such second Meeting shall reproduce the date and agenda of the first Meeting.

Meetings are held at the registered office or at any other location specified in the convening notice.

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

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

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

Shareholders may vote by mail at any Meeting in accordance with applicable laws and regulations. To be taken into account, the voting form must have been received by the Company at least three days prior to the date of the Meeting.

Shareholders may address their proxy form and/or their voting form for any Meeting, in accordance with applicable laws and regulations, either by mail or, if decided by the Board of Directors, electronically. Pursuant to the provisions of Article 1316-4, paragraph 2 of the French Civil Code, in the event of the use of an electronically submitted form, the shareholder's signature shall make use of a reliable identification process that ensures the link with the document to which it is attached.

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

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

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

Before transmitting any proxies or votes to a Shareholders' Meeting, the intermediary shall be required, at the request of the issuing company or its agent, to provide a list of the non-resident owners of the shares to which such voting rights are attached. Such a list shall be supplied as provided by applicable regulations.

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

If a Works Council exists at the Company, two of its members, appointed by the Works Council, may attend Shareholders' Meetings. At their request, their opinions must be heard on the occasion of any vote requiring the unanimous approval of shareholders.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the oldest Vice-Chairman of the Board of Directors or, in the absence of a Vice-Chairman, by a Director appointed by the Board for that purpose. In all other cases, the shareholders at the Meeting elect its Chairman.

The role of scrutineer is served by the two shareholders present at the Meeting who have the greatest number of votes and accept this role. The officers of the Meeting appoint a Secretary, who may or may not be a shareholder.

An attendance sheet is drawn up, in accordance with the law.

2. Voting rights attached to shares are proportional to the share of capital represented by those shares. Assuming they have the same par value, each capital share or dividend share (*action de jouissance*) entitles its holder to one vote.

However, a double voting right (equal to twice the voting right attached to other shares, with respect to the portion of the share capital that they represent) is granted to:

- all fully paid-up registered shares which can be shown to have been registered to the same shareholder for at least three years;

- registered shares allocated to a shareholder, in the event of an increase in the share capital by way of capitalization of reserves, earnings or additional paid-in capital, on the basis of shares already held that bear such entitlement.

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

Votes shall be expressed either by raised hands, by standing up or by a roll-call, as decided by the officers of the Meeting.

However, a secret ballot may be decided by either:

- the Board of Directors; or
  - shareholders representing at least one-quarter of the share capital, subject to their request having been made in writing and addressed to the Board of Directors or the person convening the Meeting at least two clear days before the Meeting.
3. All decisions not amending the Bylaws shall be made at Ordinary Shareholders' Meetings.

It is convened at least once a year, within six months from the end of each fiscal year to vote on the accounts of that fiscal year.

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

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

4. Only decisions reached at an Extraordinary Shareholders' Meeting may amend the Bylaws in any of its provisions. However, under no circumstances may such decisions increase the duties of shareholders, except in the case of transactions resulting from a duly completed regrouping of shares.

The shareholders may vote at an Extraordinary Shareholders' Meeting to delegate to the Board of Directors the power to make necessary amendments to the Bylaws to

harmonize them with legal and regulatory requirements, subject to any such amendments being ratified at the next Extraordinary Shareholders' Meeting.

The quorum required for Extraordinary Shareholders' Meetings convened upon first notice is one-fourth of the voting shares, and one-fifth upon second convening notice or in the case of prorogation of the second Meeting.

The resolutions of the Extraordinary Shareholders' Meeting are passed by a two-thirds majority of validly cast votes. Votes cast do not include votes attaching to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid ballot.

5. In order to be valid, copies or abstracts of the minutes of Meetings must be certified by the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary of the Meeting.

Ordinary and Extraordinary Shareholders' Meetings shall exercise their respective powers as provided by law.

6. At founding Extraordinary Shareholders' Meetings, i.e. those called to approve contributions in kind or the granting of a particular benefit, neither the contributor nor the recipient may vote, on his/her own behalf or as a proxy.
7. Where there is more than one class of shares, rights attached to any one class may not be amended without both a vote in due form at an Extraordinary Shareholders' Meeting open to all shareholders and a vote in due form at a Special Shareholders' Meeting consisting solely of the owners of shares in the class concerned.

The quorum required for Special Shareholders' Meetings convened upon first notice is one-third of the voting shares, and one-fifth upon second convening notice or in the case of prorogation of the second Meeting.

The resolutions of the Special Shareholders' Meeting are passed by a two-thirds majority of validly cast votes. Votes cast do not include votes attaching to shares in respect of which the shareholder has not taken part in the vote, has abstained, or has returned a blank or invalid ballot.

### **ARTICLE 24 - INFORMATION ON THE OWNERSHIP OF SHARE CAPITAL**

Any individual or legal entity that becomes the owner of a fraction of capital greater than or equal to one percent shall notify the Company of the total number of shares it holds. Such notice must be given within fifteen days from the date at which this percentage is reached.

The same obligation applies whenever the portion of capital held increases by at least one percent. However, it ceases to apply if the portion of capital held is equal to or greater than 60% of the share capital.

In the event of non-compliance with this obligation, and upon the request of one or more shareholders holding at least 5% of the Company's share capital and recorded in the minutes of the Shareholders' Meeting, the shares in excess of the percentage to be declared shall be stripped of their voting rights at any Shareholders' Meeting held until the end of a period of three months as from the date at which this non-compliance is rectified.

**ARTICLE 25 – IDENTIFICATION OF THE HOLDERS OF SECURITIES**

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

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

**PART VI**

**RESULTS OF THE COMPANY 'S OPERATIONS**

**ARTICLE 26 - FISCAL YEAR**

Each fiscal year lasts one year, beginning on the first day of January and ending on the thirty-first day of December.

**ARTICLE 27 - ANNUAL FINANCIAL STATEMENTS**

The Board of Directors shall keep regular accounts of the Company's operations and shall draw up the annual financial statements in compliance with the law and normal business practice.

**ARTICLE 28 - APPROPRIATION OF EARNINGS AND DISTRIBUTION OF PROFITS**

From the profit for a fiscal year, minus any prior losses, an amount equal to at least 5% must be deducted and allocated to the formation of a "legal reserve" fund. This deduction is no longer required when the amount of the legal reserve has reached one-tenth of the share capital of the Company.

Distributable profit consists of the net profit for the fiscal year, minus prior losses and the deduction described in the previous paragraph, plus retained earnings.

From these earnings, and subject to the decisions of the Shareholders' Meeting, an initial deduction is made of the amount required to distribute to shareholders a preliminary dividend, equal to five percent (5%) of the amount paid up on the shares that has not been repaid to shareholders by the Company.

This dividend is non-cumulative; if unpaid, it is not carried forward to the next fiscal year.

From the remaining amount, the shareholders at a Shareholders' Meeting may deduct the amounts they deem appropriate to allocate to all optional, ordinary or special reserve funds, or retain, in the proportions they shall determine.

Any remaining balance is divided among shareholders as a special dividend.

In addition, the shareholders may vote at a Shareholders' Meeting to distribute amounts appropriated from reserves, either to provide or supplement an ordinary dividend, or by way of an exceptional distribution; in this case, the resolution shall expressly indicate the reserve items against which these amounts are charged. However, dividends shall be paid first from the distributable earnings for the fiscal year.

In addition, the shareholders may vote at a Shareholders' Meeting to distribute assets recorded in the balance sheet of the Company and, in particular, securities by taking sums from the profits, retained earnings, reserves or premiums. The Shareholders' Meeting may decide that rights forming fractional shares shall be neither tradable nor assignable, notwithstanding the provisions of the final paragraph of Article 8 of the Bylaws. The Shareholders' Meeting may in particular decide that, if the portion of the distribution to which the shareholder is entitled is not a whole number in the unit of measure used for the distribution, the shareholder shall receive the next lower whole number, in the unit of measure, plus a cash equalization payment.

If a balance sheet drawn up during or at the end of the fiscal year and certified by a Statutory Auditor shows that the Company, since the close of the preceding fiscal year, after having made the necessary charges to depreciation, amortization and provisions, and after deducting any prior losses, as well as of the amounts which are to be allocated to the reserves provided by law or by these Bylaws, and taking into account any retained earnings, has available earnings, the Board of Directors may resolve to distribute interim dividends prior to the approval of the financial statements for the fiscal year, and may determine the terms thereof, in particular the amount and date of the distribution. These interim dividends may be distributed in cash or in kind, notably in the form of assets from the Company's balance sheet (which may include securities). In the event of an interim distribution in kind, the Board of Directors may decide that rights forming fractional shares shall neither be tradable nor assignable, notwithstanding the provisions of the final paragraph of Article 8 of the Bylaws. The Board of Directors may in particular decide that, if the portion of the distribution to which the shareholder is entitled is not a whole number in the unit of measure used for the distribution, the shareholder shall receive the next lower

whole number, in the unit of measure, plus a cash equalization payment. The amount of such interim dividends cannot exceed the amount of available earnings as defined in this paragraph.

Any dividend distributed in violation of the foregoing rules is a fictitious dividend.

If the result for the fiscal year is a loss, after the approval of the annual financial statements by the Ordinary Shareholders' Meeting, such loss is either set off against retained earnings or added to the losses carried forward. If the balance is negative, it is carried forward again to be charged against the profits of subsequent fiscal years until it is extinguished.

### **ARTICLE 29 - PAYMENT OF DIVIDENDS**

The terms and conditions for the payment of dividends are set by the Shareholders' Meeting or, failing that, by the Board of Directors.

However, dividends must be paid within a maximum period of nine months after the fiscal year-end, unless such period is extended by court order.

The Shareholders' Meeting convened to approve the fiscal year's financial statements may grant each shareholder the option to receive all or a portion of his/her dividend payment (whether interim or final) either in cash or in shares.

Requests for dividend payments in shares must be received within a time period to be set by the Shareholders' Meeting, with the understanding that this period may not be longer than three months after the date of said Shareholders' Meeting.

No repayment of the dividend may be demanded from shareholders, unless the following two conditions are met:

- the dividend was paid in violation of the law;
- the Company has established that the recipients were aware, or, given the circumstances, could not have failed to be aware, that the payment was unlawful at the time it was made.

Any recovery of dividends meeting the above conditions must be carried out within the time period provided by law.

Any dividend payments that are not claimed within five years of their payment date become null and void.



PART VII

DISSOLUTION - LIQUIDATION

**ARTICLE 30 - PREMATURE DISSOLUTION**

An Extraordinary Shareholders' Meeting may at any time declare the premature dissolution of the Company.

**ARTICLE 31 - LOSS OF ONE-HALF OF THE SHARE CAPITAL OF THE COMPANY**

If, as a consequence of losses shown in the Company's accounting documents, the Company's equity is reduced to less than one-half of the share capital, the Board of Directors must, within four months of the approval of the financial statements showing these losses, convene an Extraordinary Shareholders' Meeting to decide whether the Company ought to be dissolved before the end of its term.

If the dissolution is not resolved, the share capital must, at the latest by the end of the second fiscal year following the fiscal year during which the losses were established and subject to the legal provisions concerning the minimum share capital of *sociétés anonymes*, be reduced by an amount at least equal to the losses which could not be charged to reserves, if during that period the net assets have not been replenished to an amount at least equal to one-half of the share capital.

In the absence of a Shareholders' Meeting or in the event that the Meeting has not been able to hold valid proceedings, any interested party may institute legal proceedings to dissolve the Company.

**ARTICLE 32 - EFFECT OF DISSOLUTION**

The Company is deemed to be in liquidation as soon as it is dissolved for any reason whatsoever. It continues to exist as a legal entity for the needs of this liquidation until the completion thereof.

During the entire liquidation period, the Shareholders' Meeting shall retain the same powers as it had during the life of the Company.

The shares shall remain transferable until the completion of the liquidation proceedings.

The dissolution of the Company is only valid with respect to third parties as from the date it is published in the Trade and Companies Register.

## **ARTICLE 33 - APPOINTMENT OF LIQUIDATORS - POWERS**

At the end of the Company's term, or in the event of its premature dissolution, the Shareholders' Meeting shall decide the methods of liquidation and appoint one or more liquidators whose powers it will determine, and who will exercise their duties according to the law. The appointment of the liquidator(s) terminates the office of the Directors and any Advisory Board members.

## **ARTICLE 34 - LIQUIDATION - TERMINATION**

After payment of the liabilities, the remaining assets shall be used first for the payment to the shareholders of the amount paid for their shares and not redeemed.

Any remaining balance shall be divided among all the shares.

The shareholders are convened at the end of the liquidation to approve the final financial statements, discharge the liquidators from liability for their acts of management and the performance of their office, and formally acknowledge the termination of the liquidation process.

The termination of the liquidation process shall be published as provided by law.

## **ARTICLE 35 - LITIGATION AND DISPUTES**

Any disputes between the Company and any of its shareholders arising directly and/or indirectly from the present Bylaws shall be settled by the Paris Commercial Court.

