



## ESKER

A French public limited company (*Société Anonyme*)  
with an Executive Board and a Supervisory Board  
Stated capital: €11,315,730

Registered office: 113 Boulevard de la Bataille de Stalingrad – 69100 Villeurbanne –  
France

Lyon Trade and Company Register (RCS) No.: 331 518 498

## BYLAWS

Translation disclaimer and waiver of liability: This is a free translation of the French original of the Bylaws (*Statuts*) provided for information purposes to be read and construed in accordance with French law with respect to the matters described herein. In the event of any ambiguity or discrepancy between this translation and the original, the original French text shall prevail and only the French original is legally binding on Esker SA. As such, this translation may not be relied upon to sustain any legal claim and the existence of this translation in English in no way indicates that the Company is bound by US Law, English Law or by the Laws of any other nation.

BYLAWS UPDATED ON:  
May 4, 2019

BYLAWSSECTION I: LEGAL FORM – PURPOSE – CORPORATE NAME – REGISTERED OFFICE - FISCAL YEARARTICLE 1 - LEGAL FORM

The Company, initially established in the form of a French limited liability company (*Société à Responsabilité Limitée*) on December 6, 1984, was transformed into a public limited company (*Société Anonyme*) pursuant to the decision of the Extraordinary General Meeting of the partners on December 14, 1992, and then into a public limited company with an Executive Board and a Supervisory Board pursuant to the decision of the Extraordinary General Meeting of the partners on August 30, 1999.

The Company continues to exist under its new form of corporate governance between owners of existing shares and all those that may subsequently be created. It is governed by the applicable French legal and regulatory provisions as well as by these bylaws

ARTICLE 2 – CORPORATE PURPOSE

The purpose of the Company is:

- \* the design, development, and operation of information technology products,
- \* the provision of mail services for third parties including printing, envelope stuffing, and postage metering,
- \* fax, SMS, and e-mail transmission services for third parties,
- \* more generally, any processing (sending, receiving, archiving) of documents or data for third parties, regardless of their format or means of transmission,
- \* and, generally all industrial, commercial, financial, securities and real estate activities relating directly or indirectly to the object of the Company or to any similar or related purposes,
- \* participation through all means in undertakings or companies created or to be created, that relate to its corporate purpose, and notably by the creation of new companies, capital contributions, partnerships, or by way of subscription, or acquisition of shares or ownership rights, alliances, joint ventures or economic interest groupings (*groupement d'intérêt économique*) or lease management arrangements.

ARTICLE 3 - COMPANY NAME

The Company's name is: **ESKER**

All instruments, invoices, notices, publications and other documents originating from the company shall contain the corporate name, immediately preceded or followed by the words "*Société Anonyme à Directoire et Conseil de Surveillance*" (referring to a French public limited company with an executive board and a supervisory board) or "S.A. with an executive board and a supervisory board" and the amount of share capital.

**ARTICLE 4 - REGISTERED OFFICE**

The registered office is:

**113 Boulevard de la Bataille de Stalingrad – 69100 VILLEURBANNE**

It may be transferred to any location within the same department or an adjoining department, upon simple decision by the Supervisory Board, subject to ratification by the next Ordinary General Meeting. The registered office may also be transferred to any other location by decision of the Extraordinary General Meeting.

If the registered office is transferred under the conditions required by law, the Supervisory Board is authorized to amend the bylaws in consequence.

**ARTICLE 5 – TERM**

The term of the Company is set for fifty (50) years with effect from its date of entry in the Trade and Company Register, except in the event of early dissolution or extension as provided for in these bylaws.

**ARTICLE 6 - FISCAL YEAR**

The fiscal year runs twelve months from January 1 to December 31.

**SECTION II: SHARE CAPITAL – SHARES**
**ARTICLE 7 – CAPITAL CONTRIBUTIONS**

At the time of incorporation, a contribution was made in cash only in the amount of FFR 56,000.

In connection with the merger by absorption decided by the Extraordinary General Meeting of the shareholders of December 1, 1995, of FINANCIERE ESKER, a French limited liability company (*Société à Responsabilité Limitée*) with a share capital of FFR 291,000, having its registered office at VILLEURBANNE (69) 20, Rue Gabriel Péri and registered in \*Lyon (No. B 382 263 887), the assets of this company were contributed for a net value of said contributions from the merger amounting to FFR 8,206.49 without consideration, whereby the Company was the sole partner of the merged Company, in accordance with the conditions provided for in the second title of the French commercial code (*Code de Commerce*)

Under the terms of the Combined Ordinary and Extraordinary General Meeting of July 17, 1998, the share capital was increased by FFR 3,696,000 through an in-kind contribution in exchange for remittance of 336,000 new shares fully paid up of FFR 11 per share to Mr. Russel Teubner.

Under the terms of the Extraordinary General Meeting of March 19, 1999, the share capital was increased by FFR 659,989 through an in-kind contribution in exchange for remittance of 59,999 new shares fully paid up of FFR 11 per share to the shareholders of ALCOM.

Under the terms of the Extraordinary General Meeting of August 30, 1999, the share capital was increased by FFR 7,245,337 through an in-kind contribution and 658,667 new shares fully paid up of FFR11 per share were remitted to shareholders of PERSOFT.

Under the terms of the Extraordinary General Meeting of October 10, 2000, the share capital was increased by FFR 2,663,639 through an in-kind contribution and 242,149 new shares fully paid up of FFR 11 per share were remitted to the shareholders of VSI.

On July 22, 2005, the Executive Board recorded the exercise of 10,000 share warrants. The 10,000 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €6,828,322 to €6,848,322.

On January 5, 2006, the Executive Board recorded the exercise of 37,040 stock options and 2,979,684 BSA share warrants resulting in the creation of 744,921 shares. The 781,961 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €6,848,322 to €8,412,244.

On January 2, 2007, the Executive Board recorded the exercise of 93,076 stock options. The 93,076 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €8,412,244 to €8,598,396.

On January 2, 2008, the Executive Board recorded the exercise of 94,689 stock options. The 94,689 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €8,598,396 to €8,787,774.

On January 5, 2009, the Executive Board recorded the exercise of 12,378 stock options. The 12,378 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €8,787,774 to €8,812,530.

On July 2, 2009, the Executive Board recorded the definitive grant of 44,000 shares awarded on July 2, 2007 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €88,000 deducted from "Other reserves" that was reduced in consequence from €1,140,278.06 to €1,052,278.06. Pursuant to this capital increase, 44,000 new shares were created with a par value of 2 euros per share, increasing the share capital from €8,812,530 to €8,900,530.

On January 4, 2010, the Executive Board recorded the exercise of 33,161 stock options. The 33,161 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €8,900,530 to €8,956,852.

On November 2, 2010, the Executive Board recorded the definitive grant of 10,000 shares awarded on November 3, 2008 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €20,000 deducted from "Other reserves" that was reduced in consequence from €1,052,278.06 to €1,032,278.06. Pursuant to this capital increase, 10,000 new shares were created with a par value of 2 euros per share, increasing the share capital from €8,966,852 to €8,986,852.

On January 3, 2011, the Executive Board recorded the exercise of 21,049 stock options. The 21,049 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €8,986,852 to €9,028,950.

On April 4, 2011, the Executive Board recorded the definitive grant of 51,000 shares awarded on April 3, 2009 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €102,000 deducted from "Other reserves" that was reduced in consequence from €1,032,278.06 to €930,278.06. Pursuant to this capital increase, 51,000 new shares were created with a par value of 2 euros per share, increasing the share capital from €9,028,950 to €9,130,950.

On January 2, 2012, the Executive Board recorded the exercise of 16,182 stock options. The 16,182 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €9,130,950 to €9,163,314.

On June 2, 2012, the Executive Board recorded the definitive grant of 41,500 shares awarded on June 1, 2010 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €83,000 deducted from "Other reserves" that was reduced in consequence from €930,278.06 to €847,278.06. Pursuant to this capital increase, 41,500 new shares were created with a par value of 2 euros per share, increasing the share capital from €9,163,314 to €9,246,314.

On January 02, 2013, the Executive Board recorded the exercise of 83,590 stock options. The 83,590 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €9,246,314 to €9,413,494.

On July 4, 2013, the Executive Board recorded the award of 17,089 new shares representing stock dividend payments made for the fiscal year ended December 31, 2012. The 17,089 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €9,413,494 to €9,447,672.

On September 13, 2013, the Executive Board recorded the definitive grant of 29,500 shares awarded on September 12, 2011 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €59,000 deducted from "Other reserves" that was reduced in consequence from €847,278.06 to €788,278.06. Pursuant to this capital increase, 29,500 new shares were created with a par value of 2 euros per share, increasing the share capital from €9,447,672 to €9,506,672.

On January 2, 2014, the Executive Board recorded the exercise of 147,190 stock options. The 147,190 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €9,506,672 to €9,801,052.

On April 11, 2014, the Executive Board recorded the definitive grant of 28,500 shares awarded on April 10, 2012 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €57,000 deducted from "Other reserves" that was reduced in consequence from €788,278.06 to €731,278.06. Pursuant to this capital increase, 28,500 new shares were created with a par value of 2 euros per share, increasing the share capital from €9,801,052 to €9,858,052.

On January 2, 2015, the Executive Board recorded the exercise of 166,814 stock options. The 166,814 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €9,858,052 to €10,191,680.

On April 20, 2015, the Executive Board recorded the definitive grant of 46,300 shares awarded on April 19, 2013 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €92,600 deducted from "Other reserves" that was reduced in consequence from €731,278.06 to €638,678.06. Pursuant to this capital increase, 46,300 new shares were created with a par value of 2 euros per share, increasing the share capital from €10,191,680 to €10,284,280.

On January 4, 2016, the Executive Board recorded the exercise of 105,975 stock options. The 105,975 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €10,284,280 to €10,496,230.

On April 2, 2016, the Executive Board recorded the definitive grant of 54,000 shares awarded on April 1, 2014 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €108,000 deducted from "Other reserves" that was reduced in consequence from €638,678.06 to €530,678.06. Pursuant to this capital increase, 54,000 new shares were created with a par value of 2 euros per share, increasing the share capital from €10,496,230 to €10,604,230.

On January 02, 2017, the Executive Board recorded the exercise of 92,243 stock options. The 92,243 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from 10,604,230 to €10,788,716.

On June 20, 2017, the Executive Board recorded the definitive grant of 42,750 shares awarded on June 19, 2015 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €85,500 deducted from "Other reserves" that was reduced in consequence from €530,678.06 to €445,178.06. Pursuant to this capital increase, 42,750 new shares were created with a par value of 2 euros per share, increasing the share capital from €10,788,716 to €10,874,216.

On October 13, 2017, the Executive Board recorded the definitive grant of 1,800 shares awarded on October 12, 2015 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €3,600 deducted from "Other reserves" that was reduced in consequence from €445,178.06 to €441,578.06. Pursuant to this capital increase, 1,800 new shares were created with a par value of 2 euros per share, increasing the share capital from €10,874,216 to €10,887,816.

On January 2, 2018, the Executive Board recorded the exercise of 41,458 stock options. The 41,458 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from 10,877,816 to €10,960,732.

On July 2, 2018, the Executive Board recorded the definitive grant of 62,600 shares awarded on July 1, 2016 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €125,200 deducted from "Other reserves" that was reduced in consequence from €441,578.06 to €316,378.06. Pursuant to this capital increase, 62,600 new shares were created with a par value of 2 euros per share, increasing the share capital from €10,960,732 to €11,085,932.

On January 2, 2019, the Executive Board recorded the exercise of 65,999 stock options. The 65,999 new shares with a nominal value of 2 euros per share thus created were fully subscribed and paid up, thus increasing the capital from €11,085,932 to €11,217,930.

On May 4, 2019, the Executive Board recorded the definitive grant of 48,900 shares awarded on May 4, 2017 in connection with a restricted stock unit plan and decided to increase the capital by an amount of €97,800 deducted from "Other reserves" that was reduced in consequence from €316,378.06 to €218,578.06. Pursuant to this capital increase, 48,900 new shares were created with a par value of 2 euros per share, increasing the share capital from €11,217,930 to €11,315,730

## **ARTICLE 8 – SHARE CAPITAL**

The share capital is set at ELEVEN MILLION THREE HUNDRED AND FIFTEEN THOUSAND SEVEN HUNDRED AND THIRTY (11,315,730) Euros, divided by FIVE MILLION SIX HUNDRED AND FIFTY-SEVEN THOUSAND EIGHT HUNDRED AND SIXTY-FIVE (5,657,865) shares with a nominal value of two (2) Euros per share, all fully paid up and of the same class.

This amount results from the following:

- \* the contribution, when the company was Incorporated on February 7, 1985 in the amount of FFR 56,000
- \* the capitalization of reserves decided by the Extraordinary General Meeting of July 17, 1986 in the amount of FFR 154,000
- \* the capital increase by the issuance of shares for cash decided by the Extraordinary General Meeting of August 3, 1989 in the amount of FFR 201,000
- \* the capital increase by the issuance of shares for cash decided by the Extraordinary General Meeting of December 22, 1995 in the amount of FFR 55,500
- \* the capital increase by means of raising the nominal value of the share and the capitalization of issue premium decided by the Extraordinary General Meeting of April 2, 1996 in the amount of 5,131,500
- \* a capital increase, resulting from the exercise of stock options recorded by the Board of Directors on April 21, 1997, in the amount of FFR 45,000
- \* a capital increase, resulting from the exercise of stock options recorded by the Board of Directors on May 26, 1997, in the amount of FFR 121,500
- \* a capital increase by capitalizing amounts deducted from "other reserves" in the amount of FFR 11,849,250
- \* a capital increase by means of a public offering in the amount of FFR 4,347,970
- \* a capital increase, pursuant to the exercise of stock options on May 26, 1997 in the amount of FFR 110,000
- \* a capital increase on July 17, 1998 pursuant to a contribution by Mr. Teubner, in the amount of FFR 3,696,000
- \* a capital increase on March 19, 1999 pursuant to a contribution by ALCOM, in the amount of FFR 659,989
- \* a capital increase, pursuant to the exercise of stock options recorded on June 3, 1999, in the amount of FFR 500,159
- \* a capital increase on August 30, 1999 pursuant to a contribution by PERSOFT, in the amount of FFR 7,245,337
- \* a capital increase, pursuant to the exercise of stock options recorded on June 19, 2000, in the amount of FFR 300,036
- \* a capital increase on October 10, 2000 pursuant to a contribution by V.S.I., in the amount of FFR 2,663,639
- \* a capital increase, pursuant to the exercise of stock options recorded on June 18, 2001, in the amount of FFR 266,376

CAPITAL IN FRENCH FRANCS BEFORE CONVERSION INTO EUROS

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FFR 37,403,256

OR €5,702,089.62

* a capital increase by means of the capitalization of reserves pursuant to the conversion of the company's capital into euros on June 18, 2001 (conversion of the nominal value of the share to 2 Euros)	€1,098,502.38
* a capital increase, pursuant to the exercise of stock options in 2001, recorded by the Combined Ordinary and Extraordinary General Meeting of 06/26/2002***	€27,730.00
* a capital increase, pursuant to the exercise of share warrants in 2005, recorded by the Executive Board of July 22, 2005	€22,000.00
* a capital increase, pursuant to the exercise of stock options in the second half of 2005, recorded by the Executive Board of January 5, 2006	€74,080.00
* a capital increase, pursuant to the exercise of share warrants recorded by the Executive Board on January 5, 2006	€1,489,842.00
* a capital increase, pursuant to the exercise of stock options in 2006, recorded by the Executive Board of January 2, 2007	€186,152.00
* a capital increase, pursuant to the exercise of stock options in 2007, recorded by the Executive Board of January 2, 2008	€189,378.00
* a capital increase, pursuant to the exercise of stock options in 2008, recorded by the Executive Board of January 5, 2009	€24,756.00
* a capital increase, pursuant to the grant of restricted stock units recorded by the Executive Board on July 2, 2009	€88,000.00
* a capital increase, pursuant to the exercise of stock options in 2009, recorded by the Executive Board of January 4, 2010	€66,322.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on November 2, 2010	€20,000.00
* a capital increase, pursuant to the exercise of stock options in 2010, recorded by the Executive Board of January 3, 2011	€42,098.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on April 4, 2011	€102,000.00
* a capital increase, pursuant to the exercise of stock options in 2011, recorded by the Executive Board of January 2, 2012	€32,364.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on June 2, 2012	€83,000.00
* a capital increase, pursuant to the exercise of stock options in 2012, recorded by the Executive Board of January 2, 2013	€167,180.00
* a capital increase, pursuant to the payment of stock dividends for the fiscal year ended 2012, recorded by the Executive Board on July 4, 2013	€34,178.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on September 13, 2013	€59,000.00
* a capital increase, pursuant to the exercise of stock options in 2013, recorded by the Executive Board of January 2, 2014	€294,380.00



* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on April 11, 2014	€57,000.00
* a capital increase, pursuant to the exercise of stock options in 2014, recorded by the Executive Board of January 2, 2015	€333,628.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on April 20, 2015	€92,600.00
* a capital increase, pursuant to the exercise of stock options in 2015, recorded by the Executive Board of January 4, 2016	€211,950.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on April 02, 2016	€108,000.00
* a capital increase, pursuant to the exercise of stock options in 2016, recorded by the Executive Board of January 2, 2017	€184,486.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on June 20, 2017	€85,500.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on October 13, 2017	€3,600.00
* a capital increase, pursuant to the exercise of stock options in 2017, recorded by the Executive Board of January 2, 2018	€82,916.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on July 02, 2018	€125,200.00
* a capital increase, pursuant to the exercise of stock options in 2018, recorded by the Executive Board of January 2, 2019	€131,998.00
* a capital increase, pursuant to the grant of restricted stock units having vested recorded by the Executive Board on May 4, 2019	€97,800.00

<b>CAPITAL IN EUROS AT MAY 4, 2019</b>
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<b>€11,315,730</b>
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## **ARTICLE 9 - RIGHTS ATTACHING TO SHARES**

Each share shall entitle its holder to a portion of the corporate profits proportional to the share of the capital that it represents, taking into account any amortized and unamortized capital, fully paid up or not, of the nominal value of the shares and the rights of shares of different class; and in particular, subject to these conditions, any share grants entitlement, during the company's term, as in the event of liquidation, to the payment of an identical net amount for any distribution or redemption, so that as applicable all tax exemptions or credits and all taxes which can be incurred by the company shall be aggregated among all shareholders.

## **ARTICLE 10 - CHANGES TO THE CAPITAL**

The share capital may be increased either by issuing new shares or increasing the nominal value of existing shares. The new shares are paid up either in cash or by offsetting debt due and payable by the Company, either by the capitalization of reserves, earnings or issue premiums, or by contributions in kind or by the conversion of bonds. Only the Extraordinary General Meeting has the authority to authorize a capital increase. It may delegate to the Executive Board, the powers required to carry out in accordance with deadlines provided by law, in one or several installments, to define the procedures, record the completion and make the corresponding amendments to the bylaws.

It may also decide to limit the amount of capital that may be subscribed for in cash to the amount of applications received in accordance with the procedures provided for by law.

In the case of a capital increase through the issuance of shares to be subscribed for in cash, owners of existing shares have preferential subscription rights to subscribe for the shares under the conditions provided for by law. However, shareholders may individually waive their preferential subscription right and the Extraordinary General Meeting which decides to carry out a capital increase may cancel this right by respecting the conditions provided for by law.

The Extraordinary General Meeting may also decide or authorize the Executive Board to reduce the share capital.

#### **ARTICLE 11 – TITLE AND FORM OF SHARES**

Shares shall be in registered or bearer form.

In the case of the existence of bearer shares, the Company may request at any time, from the entity providing clearing services for its securities, information regarding its shareholders and the number of shares held by each, as well as all information whose disclosure is authorized by applicable laws.

#### **ARTICLE 12 - SALE - TRANSFER OF SHARES**

Ownership of shares shall be evidenced by their registration in the name of the shareholder(s) in the Company's share registers or in an account opened in a financial institution authorized for that purpose.

Shares may be freely transferred regardless of the reason.

The sale or transfer of shares vis-à-vis the company and third parties shall be made by an electronic transfer from one account to another.

#### **ARTICLE 13 - DECLARATION OF CROSSING OF THRESHOLDS**

Any natural person or legal entity, acting alone or in concert, acquiring more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights, or crosses above or below these thresholds must inform the company of the number of shares or voting rights it possesses within five (5) trading days from the date of this occurrence by registered letter with acknowledgment of receipt.

Failure to inform the Company within five (5) trading days will result in the loss of voting rights for a period of two years after the date on which the requisite disclosure is finally made, on condition that a request to that purpose has been duly made and recorded in the minutes of the General Meeting by one or more Shareholders separately or together holding at least 3% of the company's share capital or voting rights.

#### **ARTICLE 14 – INDIVISIBILITY – BENEFICIAL OWNERSHIP – BARE OWNERSHIP**

All shares are indivisible with regard to the Company.

Joint owners of indivisible shares shall be represented by only one of their number or by a single agent. In the case of disagreement, the agent is appointed at the request of whichever owner acts first, by order of the President of the

Commercial Court ruling in summary proceedings. The voting rights attached to the share shall belong to the beneficial owner ("*usufruitier*") at Ordinary General Meetings, and to the bare-owner at Extraordinary General Meetings

### **SECTION III: EXECUTIVE BOARD – SUPERVISORY BOARD**

#### **ARTICLE 15 - EXECUTIVE BOARD**

1° - The company is managed by an Executive Board that exercises its functions under the control of a Supervisory Board. The number of Executive Board members which may not exceed five is set by the Supervisory Board. When the company's shares are admitted to trading on a regulated market, this number may be increased under the bylaws to seven. If the share capital is less than €150,000, the functions conferred upon the Executive Board may be exercised by a single person with the title of sole managing director (*directeur général unique*).

The members of the Executive Board which may be selected from outside the shareholders but must be natural persons.

2° - The age limit set for exercising the duties of Executive Board member is 70 years of age.

3° - Under the terms provided for by law, members of the Executive Board are appointed for terms of two years by the Supervisory Board who sets the numbers thereof, appoints one of them to exercise the office of Chair and sets their compensation. Their terms shall cease at the end of the ordinary general meeting of the shareholders called to approve the financial statements of the previous year, held in the course of the year when the terms of office expire.

Offices may be revoked by the General Meeting of the shareholders and by the Supervisory Board.

4° - Members of the Executive Board meet as often as the interests of the Company require pursuant to a meeting notice issued by the Chair or half its members held in the location indicated by the author of the notice calling the meeting which may be transmitted by all means, including orally.

5° - Meetings may be organized through video conferences or telephone conferences.

Decisions of the Executive Board are valid only if half its members are present. In the event of a tie, the Chair of the executive Board shall cast the deciding vote. Voting by proxy is prohibited in Executive Board meetings.

6° - The Executive Board calls all shareholders meetings, sets their agendas and executes their decisions.

At least once every quarter, the Executive Board presents a report to the Supervisory Board. Within three months following the end of each financial year, the Executive Board presents the annual financial statements and, as applicable, the consolidated financial statements, for verification and control.

#### **ARTICLE 16 - POWERS OF THE EXECUTIVE BOARD**

1° - The Executive Board is vested with the broadest powers to act under all circumstances in the name of the Company which it exercises within the scope of the corporate purpose and subject to the authority expressly reserved by law to the Supervisory Board and Shareholders.

2° - The Chair of the Executive Board represents the Company in dealings with third parties. The Supervisory Board can also attribute the same power of representation to one or more members of the Executive Board who shall then have the title of Chief Executive Officer (*Directeur Général*).

The Chair of the Executive Board or the sole CEO and CEOs shall be authorized to appoint any special representatives they shall deem appropriate to replace them as regards some of their powers.

#### **Article 17 - SUPERVISORY BOARD**

1° - The Supervisory Board shall include at least three and not more than eighteen members. In the case of a merger of the company with another French public limited company (*Société Anonyme*), the number of members of the supervisory board may exceed eighteen for a period of three years as from the merger date, though shall not exceed twenty-four. The members are appointed from shareholders who are natural persons or legal entities by the General Meeting which may remove them at any time.

A legal entity serving on the Supervisory Board must appoint a permanent representative with is subject to the same conditions and obligations and incurs the same liabilities as if a member of the Board in his or her name, without prejudice to the joint liability of the legal entity he or she represents. This appointment of permanent representative is given for a period corresponding to the term of the legal entity he or she represents. It must be renewed every time the term of office of the legal entity is renewed.

2° - Each member of the Supervisory Board is required for the duration of his or her term, own at least one share. Members of the Board appointed by the company are not required\*\*\*  
to be shareholders at the time of their appointment though must become a shareholder within a period of three months, failing which they shall be considered as having resigned.

3° - The terms of office of Supervisory Board members is six years.

In the event of a vacancy, as a result of death or by resignation, of one or more seats of members, the Supervisory Board may between two General Meetings make temporary appointments.

However, if the number of Supervisory Board members is less than three, the Executive Board must immediately call the Ordinary General Meeting of the shareholders for the purpose of completing the Board's membership.

Temporary appointments made by the Supervisory Board are subject to ratification by the next Ordinary Shareholders' Meeting. A member appointed to replace another shall stay in office only for the remaining term of his/her predecessor

4° - All incumbent members may be appointed. However, the appointment of any member who is a natural person expires by operation of law without possibility of renewal at the end of the Ordinary General Meeting of the shareholders called to approve the financial statements for the period ended and held in the year in which the person in question reaches the age of 85.

5° - The Supervisory Board appoints from its members a Chair and Vice Chair who exercise their functions for the duration of their term of office as Supervisory Board member.

6° - Members of the Supervisory Board are called to meetings by the Board by all means, including orally.

7° - Decisions are made in accordance with the conditions of quorum and majority provided for by law. In the event of a tie, the Chair of the meeting shall cast the deciding vote.

The Supervisory Board's rules of procedure may provide that directors attending the Board meeting through the use of communications technologies meeting legal and regulatory requirements, are deemed present for determining the quorum and majority.

8° - The General Meeting may allocate a fixed annual amount to provide compensation to Supervisory Director members for their activity in the form of attendance fees which shall be recorded under operating expenses.

The Supervisory Board freely allocates the total amount among its members.

The Board sets the compensation of the Chair and Vice Chair.

Supervisory Board members may combine their office with an employment contract provided that the latter corresponds to an actual employment. The number of Supervisory Board members linked to the Company through an employment contract may not exceed one third the members serving.

#### **ARTICLE 18 - POWERS OF THE SUPERVISORY BOARD**

The Supervisory Board exercises permanent control over the Executive Board's management. To this purpose, at any time during the year, it may conduct reviews and controls it considers appropriate and may be provided with all documents it considers useful to fulfill its duties.

Every quarter, the Executive Board provides it with a report on its management of the Company.

#### **ARTICLE 19 - AGREEMENTS BETWEEN THE COMPANY AND A MEMBER OF THE EXECUTIVE BOARD OR SUPERVISORY BOARD**

Agreements between the Company and a member of the Executive Board or Supervisory Board are subject to prior authorization by the Supervisory Board in accordance with the provisions of law.

This also applies to:

- agreements between the Company and any shareholder, whether a natural person or legal entity, holding more than 10% of the voting rights,
- agreements between the Company and a legal entity controlling the shareholder with more than 10% of the voting rights when the latter is a legal entity,
- agreements for which a person covered by the preceding paragraphs has an indirect interest or in which it has dealings with the Company through the intermediary of a third-party.

Prior authorization is also required for agreements between the Company and another enterprise if one of the members of the Company's Supervisory Board is the owner, partner with unlimited liability, general partner, director, supervisory board member or, in general, the manager of this company.

The preceding provisions do not apply to agreements entered into in the ordinary course of Company's business and on arms' length terms.

Shareholders may request to receive a list of these agreements.

However, these agreements are communicated by the relevant party to the chair of the Supervisory Board, except when due to the nature of their financial implications, they are not significant for any of the parties. The list and purpose of said agreements are reported by the Chair to Supervisory Board members and the Statutory Auditors;

#### **SECTION IV: GENERAL MEETINGS**

## ARTICLE 20 - GENERAL RULES

### 1° - Procedures for calling meetings

Shareholders meet each year at an Ordinary General Meeting at the date and time indicated in the meeting notice within the first six months after the end of the financial year, subject to an extension of this period granted by an order of the President of the Commercial Court ruling on this request.

Ordinary General Meetings called in an extraordinary session and Extraordinary General Meetings may be called at any time during the year.

General Meetings are called either by the Executive Board or, failing this, by the Supervisory Board, the Statutory Auditors or by an agent appointed by the President of the Commercial Court ruling in summary proceedings at the request of one or more shareholders with a combined holding of at least 5% of the share capital.

A meeting notice (*avis de réunion*) containing the information required by article R.225-73 of the French commercial code will be published in a French publication for legal announcements (*Bulletin des Annonces Légales Obligatoires* or BALO) at least thirty-five days before the meeting date. However, when the Company is called in accordance with provisions of article L.233-32 of the French commercial code, this period is reduced to 15 days.

Within fifteen days preceding the meeting, a meeting notice containing the information required by the above article of the French commercial code must be published in a French publication for legal announcements and reproduced in the BALO. This period is reduced to six days for the second meeting notice and for meetings for which extensions have been granted. When the Company is called in accordance with the provisions of article L.233-32 of the French commercial code, this period is at least six days for the first meeting notice and four days for the subsequent meeting notice.

Shareholders with registered shares are called to participate in meetings by individual letters.

All Meetings not called in accordance with applicable procedures may be canceled. However, no action to invalidate the meeting is admissible when all the shareholders were present or represented.

During the period of liquidation, meetings are called by the liquidator or liquidators.

### 2° - Agenda

The agenda is established by the author of the meeting notice. It contains, as applicable, proposals originating from one or more shareholders under the conditions determined by law.

The Works Committee of the Company may also place one or more draft resolutions on the agenda as provided for by law.

Where a Meeting was not able to validly conduct proceedings, due to an absence of the required quorum, a second Meeting and, if applicable, a deferred second Meeting may be called, under the same conditions as for the first, at least six days in advance, with the meeting notice indicating the date of this first Meeting.

### 3° - Composition of the General Meeting

General Meetings are comprised of all shareholders regardless of the number of shares they hold.

The General Meeting, duly called and constituted, represents all shareholders. As such decisions are binding on all shareholders, even those dissenting, without legal capacity or absent.

A shareholder may only be represented by his/her spouse, or by another shareholder.

Minors and those without legal capacity are represented by their legal guardians and Administrators, without the latter being required to be shareholders themselves. A legal entity may be represented by any legal representative or any person specially authorized for that purpose, or failing that, by its permanent representative on the Board of Directors which is considered by operation of law to be vested with authority for that purpose.

#### 4° - The organization of the General Meeting

The General Meeting is presided over by the Chair of the Supervisory Board or, in his or her absence, the Vice Chair, failing which, the meeting itself shall elect a Chair.

When the Meeting is called by the Statutory Auditors, an administrator appointed by the courts or a liquidator, the Meeting is chaired by this party.

The functions of non-voting advisors (*scrutateurs*) are fulfilled by the two members of the Meeting possessing the greatest number of votes who agree to perform this role. The meeting officers shall name a secretary, who does not have to be a shareholder.

A record of attendance is duly initialed by shareholders present and by proxy holders of shareholders represented and is certified as authentic by the officers of the Meeting.

All shareholders may participate, either personally or through a proxy holder, under the conditions set by law, in Meetings upon providing proof of their identity and ownership of the securities. The right to attend the shareholders' meetings is evidenced by an accounting entry showing the number of shares in the name of the shareholder of record (or the intermediary of record for the account) in accordance with subsection 7 of article L. 228-1 of the French commercial code (*Code de Commerce*) on the third business day preceding the Meeting at midnight (CET), either in the registered share accounts maintained by the Company or in bearer share accounts maintained by an authorized intermediary.

The accounting registration or recording of the shares in the bearer share accounts on the books of the authorized intermediary must be evidenced by a certificate of attendance (*attestation de participation*) issued by the latter, including by electronic means provided that the conditions set out in article R. 225-61 of the French commercial code are met, that is to be attached to the voting form or the proxy or the request for an admission card (*carte d'admission*) mentioning the name of the shareholder or the name of the registered intermediary which represents the shareholder. A certificate is also issued to shareholders wishing to personally attend the meeting who have not received their admission card by midnight (CET) on the third business day preceding the meeting.

All shareholders may vote by mail using a proxy card issued by and addressed to the Company in accordance with regulations in force. To be counted, this form must be received by the Company at least three (3) days before the Meeting.

Shareholders are entitled to as many votes as the number of shares they possess or represent. However, a voting right double that conferred upon the other shares, with regard to the percentage of the share capital they represent, is given to all fully paid up shares held in registered form for at least two (2) years in the name of the same shareholder.

In the event of a capital increase by the capitalization of earnings, reserves or issue premium or available provisions, registered shares granted for free to a shareholder shall immediately entail double voting right when issued, if the corresponding shares already held by the shareholder also carry double voting rights.

All shares converted to bearer form or whose title is transferred no longer carry double voting rights. However, the voting right is maintained and the two-year period not interrupted in the case of transfers resulting from succession, liquidation of marital property or donation inter vivos in favor of a spouse or family member in line of succession.

The merger or demerger of the company does not affect double voting rights that may be exercised in the merging company or companies when provided for in the latter's bylaws.

If the shares are subject to beneficial ownership (*usufruit*) or undivided ownership by several persons, the voting right is exercised in accordance with the provisions provided for under article 14 of these bylaws.

For any shareholder proxy that does not indicate the proxy holder, the Chair of the General Meeting shall issue a vote in favor of adopting the draft resolutions presented or approved by the Executive Board and an unfavorable vote to the adoption of all other draft resolutions. To issue any other vote, the shareholder must choose a proxy holder who agrees to vote according to his or her instructions.

Shareholders participating via videoconferencing or other means of telecommunications that allow identification and whose nature and conditions are determined according to the provisions of articles R.225-97 et seq. of the French commercial code are also deemed present for the calculation of quorum and majority of shareholders' meetings.

In the case of an electronic signature by the shareholder or his or her legal or judicial representative of the mail voting form or an electronic signature by the shareholder of the proxy to be represented at a meeting, this signature must be subject to a reliable process of identification in compliance with the provisions of the second paragraph of article 1316-4 of the French civil code (*code civil*).

Votes are expressed by a show of hands, except when a secret ballot has been requested by one or more shareholders representing at least one tenth of the capital represented at the Meeting.

The proceedings of shareholders' meetings are recorded in minutes signed by the meeting officers and established in a special register as required by law.

Copies or excerpts of the minutes are issued and certified as required by law.

## **ARTICLE 21 - ORDINARY GENERAL MEETINGS**

The Ordinary General Meeting rules on those matters not falling under the purview of the Extraordinary Meeting. This meeting is validly called and may conduct business when at least one fifth of the voting rights are represented. If this quorum has not been attained, a new meeting is called at least fifteen days following the initial date. Proceedings in



this second meeting are valid regardless of the percentage of capital represented though shall only cover all or part of the items of business included on the agenda of the first meeting.

Decisions by the Ordinary General Meeting are determined on the basis of the majority of shareholders present, voting by mail or represented.

#### **ARTICLE 22 - EXTRAORDINARY GENERAL MEETINGS**

The Extraordinary General Meeting has the authority to make all changes to the bylaws authorized by law. It may not however increase commitments of shareholders, nor modify the Company's nationality, except by unanimous decision of the shareholders.

The Extraordinary General Meeting is duly formed and may validly conduct proceedings to validly conduct business, pursuant to the first call, only if all shareholders present, represented, or voting by mail represent at least one quarter, and pursuant to the second call, one fifth of the shares carrying voting rights. If this latter quorum is not attained, the second meeting may be deferred until a subsequent date of not more than two months from the date of this meeting subject to exceptions provided for by the law.

Decisions by the Extraordinary General Meeting are determined on the basis of a two-thirds majority of shareholders present, voting by mail or represented.

#### **ARTICLE 23 - SHAREHOLDERS' RIGHT TO OBTAIN INFORMATION**

All shareholders are entitled to access the documents necessary to allow them to have full knowledge of relevant facts and make an informed judgment concerning the management and oversight of the Company.

The nature of these documents and the conditions under which they are mailed or made available are set by law.

## **SECTION V: STATUTORY AUDITORS**

### **ARTICLE 24 - STATUTORY AUDITORS**

The ordinary General Meeting appoints, according to the conditions and with the mission defined by law, one or more Statutory Auditors, whose terms expire at the end of the General Meeting called to approve the financial statements for the sixth financial period.

One or more Alternate Auditors, called to replace the Statutory Auditors in the case of death, dismissal, unavailability or refusal of the latter, are appointed for the same period by the Ordinary General Meeting.

## **TITLE VI: ANNUAL ACCOUNTS – EARNINGS - RESERVES**

### **ARTICLE 25 - ANNUAL FINANCIAL STATEMENTS - MANAGEMENT REPORT**

At the end of each financial period, the Executive Board draws up the annual financial statements as provided for by statute.

The Executive Board produces for each year a report on its management for the period ended.

The annual financial statements and the management report are submitted to the Statutory Auditors and presented to the Annual Ordinary General Meeting as required by law.

### **ARTICLE 26 - APPROPRIATION OF EARNINGS - RESERVES**

From earnings of the period, less when applicable, accumulated losses of prior periods, are first deducted:

- \* At least five percent (5%) to be appropriated to reserves as required by law. This obligation remains in force until the reserve amount equals 10% of the common stock and resumes when, for any reason, the reserve amount falls below this percentage.
- \* and all amounts appropriated to reserves required by law.

Earnings available for distribution by the General Meeting consist of the balance, to which are added the accumulated losses or retained earnings of prior periods.

The shareholders' meeting may also elect to distribute dividends from amounts drawn from discretionary reserves. Such decision expressly indicates the reserve accounts from which the amounts are drawn.

Bonus dividends:

A bonus dividend of up to 10% may be distributed to any shareholder who at year-end has held shares in registered form for at least two years and continues to do so on the dividend payment date.

Its rate is set by the Extraordinary General Meeting. This same bonus dividend can be granted under the same conditions when restricted stock units are distributed.

#### **ARTICLE 27 - PAYMENT OF DIVIDENDS - INTERIM DIVIDENDS**

Dividends are paid on the date and in the places set by the General Meeting or, failing this, by the Executive Board. Payments must be made within nine (9) months after the end of the financial period.

The Executive Board may, before the financial statements of the year have been approved, proceed with one or more payments of interim dividends.

The Ordinary General Meeting called to examine the financial statements of the period may grant each shareholder the choice of receiving the dividend in cash or in shares for all or part of the amount.

All dividends not claimed within five years after the payment date shall be deemed time-barred.

### **SECTION VII: WINDING UP - LIQUIDATION - DISPUTES**

#### **ARTICLE 28 – WINDING UP**

##### **1° - Shareholders' equity of less than half of the share capital**

If, pursuant to the recognition of losses in the accounting documents, the Company's equity falls below one half of the share capital, the Executive Board is required within four months following the date of approval of the financial statements showing this loss, to call an Extraordinary General Meeting for the purpose of voting on the Company's early dissolution. If this decision to wind up the company is not rendered, the Company shall be required, no later than by the end of the second financial year following the period in which the losses were recognized, to reduce its capital by an amount at least equal to losses not able to be allocated to reserves if, within this period, the equity has not been restored to an amount representing a value equal to at least half the share capital.

The decision of the Meeting shall in all cases be published in accordance with regulations in force.

##### **2° - Expiration of the term set by the bylaws**

At least one year before the expiration of the term of the Company, the Executive Board must call an Extraordinary General Meeting of the shareholders to vote whether or not to extend this term. Should the Executive Board not call this Meeting, any shareholder, after issuing a formal demand without effect, may ask the President of the Commercial Court to appoint a court officer to call this meeting.

##### **3° - Early dissolution**

The company may be wound up at any time before its term has expired by an Extraordinary General Meeting of the shareholders.

#### **ARTICLE 29 - LIQUIDATION**

The Extraordinary General Meeting of the shareholders determines the procedures of liquidation and appoints one or more liquidators and defines their function and compensation.

Subject to applicable legal restrictions, liquidators are vested with the broadest powers to dispose of all assets and settle all liabilities of the Company, including through out-of-court arrangements. They may, by virtue of proceedings of the Extraordinary General Meeting, make the contribution or authorize the disposal of all the property, rights and obligations of the dissolved company.

The net liquidation proceeds after settling the liabilities, are used to repay paid-up non-redeemed share capital. Any surplus, in cash or securities shall be distributed among the shareholders.

#### **ARTICLE 30 – DISPUTES**

Any disputes that might arise in the course of the life of the Company or its winding-up process, either between the shareholders and the Company or between the shareholders themselves, relating to corporate matters, shall be referred to the courts of competent jurisdiction under the conditions of ordinary law.

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