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ELECTRICITE DE FRANCE

A FRENCH PUBLIC LIMITED COMPANY (*SOCIETE ANONYME*) WITH SHARE CAPITAL OF €1 463 719 402
REGISTERED OFFICE: 22-30 AVENUE DE WAGRAM 75008 PARIS
PARIS TRADE AND COMPANIES REGISTER NO. 552 081 317

MEMORANDUM AND ARTICLES OF ASSOCIATION (*STATUTS*)

Memorandum and Articles of Association certified true by the
Chairman and CEO Jean-Bernard Lévy

Amended by decision of the General Meeting on 15 May 2018

Article 1 – Legal structure

Electricité de France (EDF) is a French public limited company governed by the laws and regulations applicable to commercial companies, in particular, the French Commercial Code (*le code de commerce*), insofar as more specific provisions, such as, in particular, the French Energy Code (*le code de l'énergie*), ordinance No. 2014-948 of 20 August 2014, Act No. 83-675 of 26 July 1983 as amended, and this Memorandum and Articles of Association do not depart therefrom.

Article 2 - Objects

The company's objects in France and in all countries in compliance with the laws mentioned in article 1 above are:

To ensure the production, the transport, the distribution, the supply and the trading of electrical energy and to ensure the import and export of said energy;

To carry out the public service duties assigned to it under laws and regulations, in particular, the Energy Code and Article L. 2224-31 of the French General Code of Territorial Authorities (*le code général des collectivités territoriales*), as well as under concession agreements, and, in particular, the assignment of development and operating of public electricity networks and the assignments of supplying electricity at regulated rates, supplying emergency electricity to producers and to customers that aims to make up for the unforeseen failures of electricity supply to eligible customers who cannot find any supplier, by contributing to ensuring the balanced development of the supply of electricity by achieving the goals defined by the multiannual programming of production investments determined by the French Minister for Energy;

More generally, to develop any industrial, commercial or service activity, including research and engineering activities, in the area of energy, for any category of clientele;

To develop all moveable and immovable assets that it holds or uses;

To create, acquire, lease, take out a lease management contract (*location-gérance*) for all movable assets, property and businesses, to lease, install, operate all places of business, businesses, plants and workshops related to one of the aforementioned objects;

To take out, acquire, operate or yield all processes and patents relating to the business activities involving one of the aforementioned objects;

To participate, directly or indirectly, in all transactions that may be related to one of the aforementioned objects via the creation of companies or of new business undertakings, via the contribution, subscription or purchase of securities or of company shares (*droits sociaux*), acquisition of interests, mergers, partnerships or in any other way;

And, more generally, to become involved in all industrial, commercial, financial, moveable or immovable asset transactions related, directly or indirectly, in whole or in part, to any one of the aforementioned objects, to any similar or related objects or any objects that are likely to further or develop the company's business.

Article 3 - Name

The company name is 'Electricité de France'. The company may also be legally referred to under its sole acronym "EDF".

In all legal instruments and documents drawn up by the company for the attention of third parties, in particular, letters, invoices, advertisements and sundry publications, the company name must always be directly and clearly followed by the words written in full "*société anonyme*" or the initials "*S.A.*", the statement of the amount of share capital, the company's place of registration and number of registration in the trade and companies register.

Article 4 – Registered office

The registered office is situated in Paris (75008), 22-30, Avenue de Wagram.

The Board of Directors or, where applicable, the General Meeting is authorised to transfer the company's registered office in accordance with the law.

Article 5 - Duration

The duration of the company is ninety-nine years as from 19 November 2004, unless the company is dissolved early or its term is extended.

Article 6 – Share capital

The share capital is set at the amount of *€1,463,719,402.00 (one billion four hundred sixty-three million seven hundred nineteen thousand four hundred two euros and zero cent),* divided into *2,927,438,804.00 (two billion nine hundred twenty-seven million four hundred thirty-eight thousand eight hundred four euros and zero cent)* shares of a nominal value of €0.50 *(fifty cents of a euro)* each, which are paid up in full.

In accordance with the provisions of Article L. 111-67 of the Energy Code, the State must at all times hold more than 70% of the company's capital.

Article 7 –Change in capital

The share capital may be increased, reduced or redeemed in accordance with the law.

The effect of the change in capital must not lead to the State's interest falling below the threshold mentioned in article 6.

Article 8 – Settlement of shares

In the event of a capital increase, the minimum quota provided for by law for full payment of the nominal value and of the premium must be paid up upon the subscription of cash shares, where applicable. Shares paid up in part are registered until the entire full payment thereof. Subject to legal provisions applying to the issue of new shares reserved for the employees, the balance will be paid up in full on one or more occasions further to a decision by the Board of Directors or, where applicable, following a decision by the Chairman of the Commercial Court deciding in interlocutory proceedings within a period not exceeding five years as from the date on which the capital increase became binding.

Shareholders are informed of cash calls by registered post with advice of receipt or by the publication of an announcement in a legal publication at the registered office at least fifteen days prior to the date set for each payment. Payments are made either at the registered office or at any other location specified for this purpose.

Should the shareholder fail to make payment in full at the times set by the proper corporate body, the amounts owed shall, automatically and by operation of law, bear interest at the legal interest rate as from the due date, without prejudice to any other legal remedies and penalties provided for by law. In particular, the company may arrange for the sale of securities of which due and payable amounts have not been paid up in full, in accordance with the terms and conditions provided for by law and regulations.

Article 9 – Form of shares

Shares are in registered or bearer form, at the shareholder's discretion, subject to the law and regulations.

Shares may be registered in the name of an intermediary in accordance with the conditions provided for in Articles L. 228-1 *et seq*. of the Commercial Code. The intermediary is required to declare its capacity as an intermediary holding securities on behalf of third parties, in accordance with the law and regulations.

The provisions of the above sub-paragraphs also apply to the other securities issued by the company.

The company is entitled, in accordance with current law and regulations, at all times and at its expense, to request information from the central custodian of financial instruments, as the case may be, on the name or the company name, the nationality, the year of birth or the year of incorporation and the address(es) of holders of bearer securities that immediately or in the future grant the right to vote at its own shareholders' meetings, as well as on the quantity of securities held by each of them and, where applicable, on the restrictions that may affect the securities. In view of the list provided by the aforementioned organisation, the company may ask any persons on said list that it deems may be registered on behalf of a third party for the above information with regard to the shareholders.

As regards securities in registered form which grant immediate or future access to the capital, the intermediary registered in accordance with the conditions provided for under Article L. 228-1 is bound, within a period of ten working days as from the request, to reveal the identity of the owners of said securities further to a simple request by the company or its agent, which may be made at any time.

Article 10 – Share assignment and transfer

Shares are freely tradable subject to the law and regulations. They are duly account registered and are transferred from account to account. Said provisions also apply to other securities of any kind issued by the company.

Apart from the legal obligation to inform the company of the ownership of certain fractions of the capital or of voting rights, any natural person or legal entity, acting alone or together, who/which happens to directly or indirectly hold a number of securities corresponding to 0.5 % of the capital or voting rights of the company is bound, no later than prior to the close of trading of the fourth trading day that follows the day on which said threshold is exceeded, to declare to the company, by registered letter with acknowledgement of receipt, the total number of shares, voting rights and of securities that grant access to the capital that it owns.

Rules governing the statutory thresholds will be applied to calculate thresholds to be declared under this article and to determine the information to be provided at the time of said declarations.

The intermediary registered as holder of securities in accordance with subparagraph 2 above is bound, without prejudice to the obligations of owners of securities, to make the declarations provided for in this article.

Said declaration must be renewed in accordance with the above conditions whenever a new threshold of 0.5% is reached, above or below, regardless of the reason, including beyond the threshold of 5% provided for in Article L. 233-7 of the Commercial Code.

In the event of non-compliance with the above provisions, the shareholder(s) in question, in accordance with the conditions and within the limits set by law, lose the voting right pertaining to securities that exceed the thresholds subject to declaration.

Article 11 – Rights and obligations pertaining to the shares

Each share grants entitlement to a share pro rata with the quota of the capital that it represents in profits and in company assets.

Moreover, it grants a right to vote and to representation at general meetings, in accordance with and subject to the limitations set by law, regulations and the Memorandum and Articles of Association.

The ownership of one share automatically entails adherence to the Memorandum and Articles of Association and to the decisions of the General Meeting.

Shareholders bear losses only up to their contributions.

Heirs, creditors, beneficiaries or other representatives of a shareholder may not request that seals be placed on the company's assets and securities or request the distribution or sale by auction of property in undivided ownership (*licitation*) or interfere in the acts of its administration; to exercise their rights, they must refer to the statements of assets and liabilities and to the decisions of the General Meeting.

Whenever it is necessary to hold several shares to exercise any right, in the event of exchange, consolidation or allocation of shares or as a consequence of a capital increase or reduction, a merger or other corporate transaction, the owners of isolated shares or shares of a number less than that required may exercise said right solely on the condition that they personally attend to the consolidation and, possibly, the purchase or sale of the necessary shares.

Article 12 – Indivisibility of shares – Beneficial interest

1. Shares are indivisible with regard to the company.

Co-owners of undivided shares are represented at General Meetings by one of co-owners or by a sole representative. In the event of disagreement, the representative is appointed by court order at the request of the first co-owner to act.

2. The beneficial owner holds the right to vote pertaining to the share at Ordinary General Meetings and the bare owner holds the right at Extraordinary General Meetings.

Article 13 – Board of Directors

I. - A Board of Directors comprised of three to eighteen members administers the company in accordance with the provisions of title II of order No. 2014-948 of 20 August 2014.

In this context, the Board of Directors includes members appointed by the General Meeting, where applicable, in accordance with article 6 II of the aforementioned order, a Representative of the State and one third of representatives of employees appointed in accordance with the provisions of chapter 2 of title II of the Act of 26 July 1983.

II. - The Board appoints a secretary who may be chosen from outside its members

The Chairman and CEO is required to provide each director with all documents and information needed to carry out his or her assignment.

III. - The term of office of the members of the Board of Directors is four years.

Exceptionally, the duration of the first term of office for directors representing employees taking effect after the General Meeting of 21 November 2014 is five years, and the duration of the term of office for directors appointed by the General Meeting of 21 November 2014 shall end at the close of the Ordinary General Meeting of shareholders called to approve the financial statements of the financial year ending on 31 December 2018.

As of the General Meeting held in 2019, resolving on the annual financial statements for the 2018 financial year, the Board of Directors, excluding the Directors elected by the employees and the representative of the French State appointed by decree, shall be renewed by rotation in such a way that this renewal affects half (or the nearest whole number) of the Directors appointed by the General Meeting every two years, and that the renewal of the Board is complete, for the concerned Directors, at the end of each period of four years.

For the implementation of the renewal or its maintenance in case of appointment of a new Director outside the phased renewal dates, the General Meeting may set the term of office of the Directors to a duration shorter than four years, in order to allow the phased renewal.

The order of departure shall be determined by the Board of Directors by a unanimous vote or, failing that, by drawing lots during a Board meeting.

IV. - In the event of vacancy following the death or resignation of one or more members appointed by the General Meeting, the Board of Directors may make provisional appointments in accordance with the conditions set in Article L. 225-24 of the Commercial Code. The director thus appointed carries out his or her duties for the remaining period of his or her predecessor's term of office.

V. - The General Meeting sets the sum of directors' fees allocated, where applicable, to directors. Directors representing employees do not receive fees for their terms of office.
The company reimburses, upon presentation of supporting documents, the expenses incurred by directors while carrying out duties relating to their position as a board member.

The representatives of employees are entitled to a time credit equal to half of the legal working time.

VI. - The Board may remove any director that it appoints from office.

VII. - At the initiative of the Chairman and CEO, the Board of Directors may, if it deems it necessary and depending on the agenda, invite members of the company or persons external to it to attend Board meetings without a right to vote.

The secretary of the Works Council or the body serving this purpose attends the meetings of the Board of Directors without a right to vote.

VIII. - Persons invited to attend the proceedings of the Board of Directors are bound by the same duties of discretion as the directors.

Article 14 – Chairmanship of the Board of Directors and general management

In accordance with Article 19 of the aforementioned order of 20 August 2014, the Chairman of the Board of Directors is appointed by decree from among the directors, further to a motion by the Board of Directors. His or her term of office may not be longer than his or her term of office as a director. His or her term of office may be renewed in accordance with the same procedures as for his or her appointment. He or she may be removed from office by decree. The chairman of the Board of Directors must not be older than 68 years of age; if he or she is over said age, he or she is deemed to have automatically resigned.

The Chairman of the Board of Directors, bearing the title of Chairman and CEO, is responsible for the management of the company. He or she is governed by the legal and regulatory provisions relating to the CEO.

Pursuant to Article L. 228-40 of the Commercial Code, the Board of Directors may delegate to the Chairman and CEO or, in agreement with the latter, to one or more executive vice presidents, the powers required in order to issue bonds within a one-year period and to determine the terms and conditions thereof. The same proceedings set the conditions in which a report on the exercise of said powers shall be made to the Board of Directors.

Article 15 – Proceedings of the Board of Directors

1. The Board of Directors meets as often as the interest of the company so requires, further to notices of meeting being issued by its chairman, in accordance with the legal and regulatory provisions. By way of derogation from subparagraph 2 of Article 12 in the ordinance of 20 August 2014, the majority of members of the Board of Directors may, by specifying the meeting's agenda, call the board meeting. When it has not met for more than two months, at least one third of the members of the Board of Directors may request that the Chairman call a meeting to consider a given agenda.

Meetings are held at the registered office or at any other location stated in the notice of meeting.

Meetings of the Board of Directors, apart from those related to the transactions referred to in Articles L. 232-1 and L. 233-16 of the Commercial Code, may be held by videoconference or by any other means of telecommunication which allows them to be identified and guarantees their actual participation, of which the nature and conditions are determined by decree following consultation of the French Council of State (*Conseil d'Etat*), in accordance with the legal and regulatory provisions and in compliance with the conditions set out in the Board's internal rules. Directors who take part in Board meetings by

videoconference or by any other means of telecommunication in accordance with the aforementioned conditions are deemed to be present for the purpose of calculating the quorum and the majority.

Notices of meeting must be sent at least seven days in advance by letter, telegram, fax or e-mail or by any means in the event of an emergency, specifying the agenda. They may be sent twenty-four hours in advance in the event of an emergency. The Chairman and CEO provides each director with the documents and information needed to carry out his or her assignment.

The Chairman of the Board of Directors or, otherwise, the oldest of the directors in attendance chairs the meetings of the Board of Directors.

2 The Board can only deliberate validly if at least half of its members are present. The rules and regulations may stipulate that the directors who take part in the meeting by videoconferencing or any other means of telecommunication in accordance with the aforementioned conditions, in accordance with the law, are deemed to be present for the purpose of calculating the quorum and the majority.

Decisions are taken with the majority vote of members present or represented. In the event of a tie in voting, the Chairman and CEO of the meeting has the casting vote.

3 An attendance register is kept and signed by the directors present at the Board of Directors meeting. The register also includes the names of directors attending the meeting by videoconference or by any other means of telecommunication, in accordance with the above conditions. The proceedings of the Board meeting are recorded in minutes drawn up in accordance with the legal provisions in force and signed by the chairman of the meeting and by a director or, in the event the chairman of the meeting being unable to act, by two directors. The Chairman and CEO, an executive vice president, a director temporarily delegated to act as chairman, the secretary of the Board of Directors or a representative authorised for this purpose certifies copies or extracts of the minutes of proceedings as valid.

Article 16 – Powers of the Board of Directors

The Board of Directors determines the company's business strategies and sees to the implementation thereof. Subject to the powers expressly granted to shareholders' meetings and within the limit of the company's objects, it may deal with any issue relating to the proper operation of the company and, via its proceedings, settle the company's business.

The Board of Directors may decide to set up specialised consultative committees, in particular, an audit committee, a strategy committee, or a remuneration committee within the Board. It sets the powers of said committees and determines their formation; the committees must have at least one employee director. The committees report on their assignments to the Board.

The bylaws specify the committees' assignments and their operating conditions.

Article 17 – Powers of the Chairman and CEO and of executive vice presidents

The Chairman and CEO organises and directs the proceedings of the Board of Directors, on which he or she reports to the General Meeting. He or she sees to the proper operating of the company's bodies and ensures in particular that the directors are capable of carrying out their assignments.

Subject to the legal provisions specially applicable to public sector companies and to powers that the law expressly grants to shareholders' meetings, to powers that the law specially reserves for the Board of Directors, and within the limit of the company's objects, the Chairman and CEO is vested with the broadest powers to act in the company's name in all circumstances.

Further to a motion by the Chairman and CEO, the Board of Directors may appoint one or more natural persons to assist the Chairman and CEO; he/she/they shall bear the title of executive vice president. The number of executive vice presidents may not exceed five. The Board of Directors sets the term of office and any limitations to the powers of each of the executive vice presidents.

When the Chairman and CEO terminates or is prevented from carrying out his or her duties, the executive vice presidents continue, unless the Board decides otherwise, to carry out their duties and exercise their powers until a new Chairman and CEO is appointed.

The Chairman and CEO may delegate his or her powers in part to as many representatives as he or she decides. Executive vice presidents have the same powers with regard to third parties.

Article 18 – Regulated agreements

Any agreement entered into directly or through an intermediary between the company and its CEO, one of its executive vice presidents, one of its directors, one of its shareholders holding a fraction of the voting rights greater than 10% or, if it relates to a shareholder company, the company that controls it, as defined in Article L. 233-3 of the Commercial Code, must be submitted to the Board of Directors for prior authorisation.

The same applies to agreements with which one of the persons mentioned in the previous subparagraph is indirectly involved, as well as to agreements entered into between the company and a business undertaking, if the CEO, one of the executive vice presidents, or one of the directors of the company is the owner, shareholder with unlimited liability, manager, director, member of the supervisory board or, in general, a corporate officer of said business undertaking.

The Board of Directors, when giving prior authorisation, justifies the interest of the agreement for the company, in particular, by specifying the financial conditions thereof.

The provisions of the above subparagraphs do not apply to agreements relating to day-to-day transactions entered into under normal conditions or to agreements entered into between two companies of which one holds, directly or indirectly, the entire capital of the other company, where applicable, less the minimum number of shares required to meet the requirements of Article 1832 of the French Civil Code (*code civil*) or Articles L. 225-1 and L. 226-1 of the Commercial Code.

Article 19 – statutory auditors

Two statutory auditors, appointed by the General Meeting for six financial years, audit the company's financial statements in accordance with Article L. 823-3 of the Commercial Code and carry out their duties in accordance with the law.

They are invited pursuant to Article L. 823-17 of the Commercial Code to attend all meetings of the Board of Directors that examine or approve the financial statements or interim financial statements, as well as to any shareholders' meeting.

In accordance with Article L. 225-228 of the Commercial Code, the Chairman and CEO and, where applicable, the executive vice presidents, if they are directors, do not take part in the Board of Directors' vote proposing the appointment of statutory auditors to the General Meeting.

Deputy statutory auditors are appointed to replace the principal statutory auditors in the event of refusal, inability to act, resignation or death.

Article 20 – General meetings

1. General meetings include all shareholders in respect of which due payments for the securities have been paid up in full, and in respect of which the right to attend the general meetings has been proved by the account registration of securities in the name either of the shareholder or, when the shareholder does not have his or her place of residence in France, of the intermediary registered on his or her behalf, in accordance with the conditions and within the time limits provided for in the Commercial Code.

The account registration of securities must be made either in registered security accounts kept by the Company, or in bearer security accounts kept by the authorised intermediary.

Access to the general meeting is open to its members upon simple proof of their status and identity. The Board of Directors may, if it deems it appropriate, arrange for personal passes with names to be provided to shareholders and require said passes to be shown.

Any shareholder may grant a power to any natural person or legal entity of his or her choosing to represent the shareholder at a general meeting. The proxy, as well as its cancellation, if any, are made in writing and provided to the company. The proxy may be cancelled in accordance with the same procedures as those required for the appointment of a representative, where applicable, by electronic means. The owners of securities duly registered in the name of an intermediary, in accordance with the conditions provided for in Article L. 228-1 of the Commercial Code, may be represented by a registered intermediary in accordance with the conditions provided for in said article.

The shareholder may also vote by correspondence. When the shareholder has voted by correspondence or sent a power of attorney, the shareholder may not choose another method of participating in a general meeting. The company must receive the voting form no later than three days prior to the date of the meeting. However, the company may receive electronic voting forms up to no later than 3 p.m. (French time) on the day prior to the general meeting.

The powers and the correspondence voting forms, as well as the attestations of participation, may be drawn up on a duly signed electronic medium in accordance with the conditions provided for under the legal and regulatory provisions applicable in France.

2 The Board of Directors or, otherwise, the statutory auditor or any person authorised for this purpose may call general meetings. They may be held at the registered office or at any other location mentioned in the notice of meeting. They may be held by videoconference or by means of telecommunication that allows the shareholders to be identified, and of which the nature and conditions of application are determined under Articles R. 225-97 to R. 225-99 of the Commercial Code. In this case, shareholders who participate in the meeting by said means, in accordance with the legal conditions, are deemed to be present for the purpose of calculating the quorum and the majority.

Save for the exceptions provided for by law, notices of meeting are sent at least fifteen days prior to the date planned for the meeting and said time limit is reduced to ten days for general meetings held further to a second notice of meeting and for postponed meetings.

3 The meeting's agenda is set out in the notice of meeting. The party issuing the notice of meeting draws up the agenda.

The meeting may only deliberate on issues specified on the agenda.

One or more shareholders representing at least the quota of the capital provided for by law, or any shareholders' association that meets the conditions required by law and acting in accordance with the legal conditions and within the legal time limits, may ask for items or draft resolutions to be entered on the agenda. The request to enter an item on the agenda must be substantiated. Moreover, in accordance with the French Labour Code (*code du travail*), the Works Council may ask for draft resolutions to be entered onto the agenda.

An attendance sheet, which contains the information provided for by law, is kept at each meeting.

The Chairman and CEO or, in his or her absence, a director that the Board delegates for this purpose, chairs the meetings. Otherwise, the meeting itself appoints its chairman.

The two members of the meeting who directly or as representatives hold the greatest number of votes, who are in attendance, and who accept said duties carry out the duties of returning officers.

The officers of the meeting appoint the secretary, who may be chosen from outside the shareholders.

The role of the officers of the meeting is to check, certify and sign the attendance sheet; ensure the proper holding of proceedings; settle incidents in the meeting; monitor the votes cast; ensure the legality thereof and ensure that the minutes are drawn up.
The minutes of the meeting are drawn up and copies and extracts of proceedings are issued and certified in accordance with the law.

The Ordinary General Meeting is the meeting called to take decisions that do not amend the Memorandum and Articles of Association. There is at least one Ordinary General Meeting per year within the six months after the closing of each financial year to approve the financial statements of said financial year, or, in the event of postponement, within the time limit set by court decision.

It may deliberate validly further to the first notice of meeting only if the shareholders present or represented or having voted by correspondence own at least one fifth of the shares with voting rights. No quorum is required further to the second notice of meeting. It reaches decisions with the majority of votes held by the shareholders present, represented, or having voted by correspondence.

4 Extraordinary General Meetings are the sole meetings authorised to amend any provision of the Memorandum and Articles of Association. However, it may not increase the undertakings of shareholders, notwithstanding transactions arising from the consolidation of shares that has been duly carried out.

Subject to the legal provisions applicable to capital increases made by capitalisation of reserves, profits or share premiums, it only deliberates validly if the shareholders present, represented or having voted by correspondence own at least, further to the first notice of meeting, one quarter and, further to the second notice of meeting, one fifth of the shares with voting rights. Failing said latter quorum, the second meeting may be postponed to a date that is no more two months from the date on which it had been called.

Subject to the same proviso, it decides with the majority of two thirds of the votes of the shareholders present, represented or having cast a remote vote.

Article 21 – Shareholders' right to information

All shareholders are entitled to obtain the disclosure of the documents needed to decide on the management and operation of the company in accordance with the conditions set out by law and regulations.

Article 22 – Financial year

The financial year is a twelve-month period; it begins on 1 January and ends on 31 December of each year.

Article 23 – Financial statements

The Board of Directors keeps proper account of company transactions and draws up the financial statements in accordance with the law and trading practices.

Article 24 –Allocation of profit

1. The profit and loss account which summarises the income and expenses of the year shows by difference, after depreciation and provisions have been deducted, the profit or loss for the financial year.

At least 5% is drawn from the profits of the year less, where applicable, earlier losses to form the statutory reserve fund. This deduction ceases to be mandatory when the reserve reaches one tenth of the share capital; it resumes its course when, for any reason, the statutory reserve falls below said tenth.

The distributable profit is comprised of the profit of the financial year minus earlier losses, as well as amounts placed in reserve accounts in accordance with the law or the Memorandum and Articles of Association and increased by the retained earnings. The general meeting may deduct any amount from said profit that it deems appropriate to add to any optional reserve funds or to carry forward.

Moreover, the general meeting may decide to distribute amounts drawn from reserves at its disposal by expressly mentioning the reserve accounts from which the drawdowns were made. However, dividends are drawn first and foremost from the distributable profits of the year.

Apart from the case of a capital reduction, no distribution may be made to shareholders when the equity capital is or following such transaction falls below the amount of the capital increased by reserves which, according to the law or the Memorandum and Articles of Association, cannot be distributed. The revaluation adjustment may not be distributed; it may be capitalised in whole or in part.

The loss, if any, is posted to a special account to be charged against the profits of future years until it is offset, or to be discharged by means of a capital reduction.

2. Any shareholder who proves, upon the closing of a financial year, that he or she has been a registered shareholder for two years at least, and that his or her status as registered shareholder continues on the date of payment of dividends paid for said year, is entitled to a gross up of the dividend owed to the shares thus registered, which is equal to 10% of the dividend paid to the other shares, including in event of the payment of the dividend in shares; the dividend thus grossed up is rounded down to the nearest cent.

In the same manner, any shareholder who proves, upon the closing of a financial year, that he or she has been a registered shareholder for a minimum of two years and that their status as a registered shareholder continues on the date of completion of a capital increase by the capitalisation of reserves, profits or premiums is entitled to an increase in the number of free shares to be distributed to him or her equal to 10%; said number is rounded down to the lower unit in the event of fractional shares.

The number of shares eligible for said increases may not be greater, for a same shareholder, than 0.5 % of the share capital on the closing date of the past financial year.

Article 25 – Method of payment of distributions

The general meeting may grant each shareholder, for all or part of the dividends distributed, a choice of payment of the dividend in cash or in shares, in accordance with the law.

When a balance sheet drawn up during or at the end of the financial year certified by a statutory auditor shows that the company, since the closing of the previous year, after the posting of the necessary depreciation and provisions, less, where applicable, earlier losses, as well as amounts to be posted to reserve accounts in accordance with the law or the Memorandum and Articles of Association, and considering the retained earnings, made a profit, interim dividends may be distributed in accordance with the law prior to the approval of the financial statements of the year. Provided that it has been authorised by the general meeting, the Board of Directors may offer shareholders, for all or part of the interim dividend, the choice between payment in cash or in shares. The amounts of said interim dividends may not be greater than the amount of the profit thus defined.

Furthermore, the general meeting may decide to pay any dividend, interim dividend, reserve, premium for distribution or any capital reduction, by the delivery of the company's assets, including financial instruments.

The methods for paying distributions voted in by the general meeting, as well as the date of rights to interest on distributed shares, are set by the general meeting or otherwise by the Board of Directors, in accordance with the law. When the amount of distributions other than in cash to which the shareholder is entitled does not correspond to a whole number of shares, the latter may receive the number of shares in the next lowest number, completed by a balancing payment in cash or, if the general meeting so requests, the next highest number of shares, by paying the difference in cash.

Dividends in cash or in shares must be paid no later than nine months after the closing of the financial year, unless said period is extended by court authorisation. Dividends not claimed within five years of their distribution for payment become void.

Article 26 - Disputes

Any disputes that may arise during the lifetime of the company or during its liquidation, either between the shareholders and the company or between the shareholders themselves, in relation to, or on account of, company business are referred to the courts with jurisdiction in the location of the registered office.

For this purpose, in the event of disputes, all shareholders must choose an address for service within the district of the registered office and all proceedings or services are duly served at said address for service.

Failing an address for service, the proceedings or services are validly served at the prosecution office of the Director of Public Prosecutions (*procureur de la République*) at the Regional Court (*tribunal de grande instance*) in the district of the registered office.

Article 27 - Dissolution - Liquidation

In the event of the expiry or dissolution of the company, the ordinary meeting settles the method of liquidation and appoints one or more liquidators whose powers it determines in accordance with the law.

The net proceeds of the liquidation after liabilities and social security expenses are discharged and the non-redeemed nominal amount of shares have been repaid to the shareholders are divided between the shareholders.