PROXY VOTING REFORM IN FRANCE:

A GUIDE FOR NON-RESIDENT SHAREHOLDERS

January 2003

Association Nationale des Sociétés par Actions

39 rue de Prony - Paris 17e
tel : 01 47 63 66 41 fax : 01 42 27 13 58 Internet : www.ansa.asso.fr

FOREWORD
TO THE SECOND EDITION

by Philippe Bissara,
Delegate General of ANSA

The first edition of this brochure is dated May 2002, following upon publication of the Decree implementing the New Economic Regulations Act.

This brochure has been widely distributed in France and abroad, and given rise to many legal and practical questions that we have sought to answer in this new edition, which also corrects the errors reported to us.

2003 will be in fact the first year of application of the new rules relating to voting; we hope that this brochure will help all parties involved in the preparation and functioning of meetings of shareholders in French listed companies.

-oOo-

FOREWORD
TO THE FIRST EDITION

A WELCOME REFORM

by Philippe Bissara,
Delegate General of ANSA

Major reforms coming into effect in 2002 are designed to make it easier for Non-Resident shareowners to vote their holdings at French listed companies. This handbook aims to help market players understand innovations in the New Economic Regulations Act of May 15, 2001, and the implementing Decree dated May 3, 2002. These measures make progress in streamlining and modernizing the share voting system.

Who should read this booklet ?

Proxy Voting Reform in France aims to answer various legal and practical questions arising from the introduction of new remote share voting procedures. It is addressed particularly to:

- Issuing companies
- Non-Resident investors
- Proxy voting intermediaries
- Global and local custodians; and
- Banks and depositaries keeping securities accounts.

Why the reform ?

Non-Residents hold a large and rising share (some 35 to 40%) of the market capitalization of the Paris Bourse. Institutional investors, both resident and Non-Resident, own an even greater stake (approximately 70%) Their participation in voting is essential if companies hope to meet quorum levels required by law. Moreover, broad participation by shareowners is critical because French statutes give the annual meeting more powers to set

corporate policies than in any other major market.[1]

In recent years, however, investors have expressed concern that outmoded provisions of French law made it very difficult, or even impossible, for Non-Resident institutions to take part in voting. Complaints centered on three principal issues:

- The law did not explicitly recognize the right of global custodians and other intermediaries legally to cast votes on behalf of Non-Resident shareholders;
- Many investors balked at the legal requirement that shares be blocked from trading for a period of up to five days before the shareholder meeting;
- Electronic or Internet voting was not permitted, though it could have allowed a substantial reduction in the period needed to process ballot forms.

What reform ?

To remedy these concerns, ANSA[2], the professional, non-profit entity representing issuing companies, proposed reforms that formed the basis of the 2001 legislation. ANSA undertook this action in consultation with representatives of constituencies within the capital market.

The new legislation marks important progress. Headline improvements include the following:

- Global custodians, along with any other intermediary which declares itself as such[3] are now expressly permitted by law to cast votes on behalf of Non-Resident shareholders provided that the ultimate shareholder agrees to be identified if the issuing company so requests.
- Blocking is abolished. No shareholder may be deprived of the right to sell securities during the few days preceding the meeting of shareholders. Instead, issuers will set a brief verification period in advance of the meeting to assure that shareholder or agent is eligible to vote and to ascertain the precise number of shares that may be voted.
- Internet voting is now legally permissible. Companies will be able to amend their bylaws to allow it, and experts are in the process of engineering appropriate technical systems to enable e-voting to operate smoothly, accurately and securely. Some of the nation□s largest companies may be expected to wish to launch it quickly[4].

[1] For instance, Leading Corporate Governance Indicators 2001 (Davis Global Advisors) ranks France ahead of six other surveyed markets (US, UK, Germany, Japan, Netherlands and Belgium) in giving the most rights to shareholders at annual meetings.

[2] ANSA Report on "l'identification des actionnaires des sociétés cotées" (the identification of shareholders in listed companies, January 1997) and on "l'utilisation des moyens de télétransmission dans les assemblées générales d'actionnaires" (the use of remote-transmission resources in meetings of shareholders, January 2000).

[3] See below, Part II, Chapter II, Intermediaries registered in accounts, and the glossary

[4] See below, Chapter IV, Internet voting

Who is the booklet organized ?

Before reviewing the voting process itself, we shall provide essential information relating to the French statutory system applicable to listed companies This system allows fairly little discretion for adaptations in the by-laws specific to each company, so that the observations below are valid for all intents and purposes for all listed companies. Many statutory rules are applicable to both listed and unlisted companies. However, this booklet focuses on the rights and duties of Non-Residents shareowners in listed companies. This is because the new statutes allowing voting by intermediaries are written to apply only to listed companies. Non-Residents owning shares in unlisted firms must, like resident investors, hold those securities directly in registered accounts opened in the names of their Beneficial Owners.

Note that an index/glossary is provided at the end of the booklet to assist readers in understanding terms relevant to the French market and used in the statutes and this handbook[5].

[5] Key words with capitalized initials are defined in the index/glossary.

CONTENTS

IV. Internet voting

1. General principles binding all parties regarding the transmission of an Electronic Single Form before the meeting.
2. Description of the Electronic Single Form-Voting before themeeting of shareholders.
3. Channels followed by the information and the Electronic Single Forms before the meeting.
4. Specific rules applicable to the Account Keepers and the Centralizing Entity.
5. Electronic voting during the course of the meeting.

PART 2: WHO DOES WHAT AND HOW ?

I. Non-Resident investors using Intermediaries

1. Custody of Securities in an Intermediated Account is available only to Non-Residents.
2. Exercise of the shareholder's rights implies consent to being identified.
3. Disclosure of crossing of interest thresholds.
4. How to know the date, the Agenda and the Draft Resolutions for the meeting.
5. How to take part in the meeting of shareholders.
6. Who may sign a voting form or issue voting instructions ?
7. Internet voting.
8. From blocking to verification.
9. Sale of shares after sending of the Paper Standardized Single Form or voting instructions or the request for an Admission Card.
10. Confirmation that votes are cast.
11. Disputes.
12. What to do if you take up residence in France.

II. Intermediaries Registered in accounts

1. Who may be a Registered Intermediary ?
2. What are the conditions for the Registered Intermediary's opening of a Securities Account to deposit Securities owned by third parties ?
3. Intermediated Accounts.
4. The Report of crossing of interest thresholds.
5. The procedure for identification of Holders of Rights Attaching to the Share by the issuing company.
6. What liability does the Registered Intermediary incur ?
7. What is to be done with shares held by Residents in pooled accounts ?
8. Penalties for breach of the disclosure rules.
9. Exercise of the vote by the shareholder.
10. Exercise of the vote by the Registered Intermediary.
11. Transactions subsequent to voting.
12. Transmission and conservation of shareholders' orders.

III. The Custodian Account-Keeper financial institution

IV. The issuing company

APPENDICES

INDEX / GLOSSARY

PART 1

GENERAL

I. MEETING OF SHAREHOLDERS IN FRANCE

1. THE LAWS CONFERS VERY EXTENSIVE POWERS ON MEETINGS OF SHAREHOLDERS

Comparative surveys show that among developed countries, France is where the meeting of shareholders has the most extensive powers to affect management, remuneration, capital strategy, and potential conflicts of interest. Shareholder absenteeism can obstruct the company's operation. For this reason, French law has been rigorous in procedures governing voting. Until now, only shareholders registered as owners in their own names could cast ballots. But the Act of 15 May, 2001 on New Economic Regulations now makes clear that Non-Resident shares may be held in pooled accounts opened in an intermediary's name, giving them assured voting rights.

These issues are not specific of France, and a working party operated at European-Union level to issue an opinion regarding the solutions to be provided for the difficulties relating to Non-Residents' voting[6].

Shareholder meetings convene in "ordinary" or "extraordinary" form and, for the largest companies, frequently in combined form (ordinary meeting followed by an extraordinary meeting). The two forms have different quorum requirements and powers.

For ordinary meetings, companies may issue two calls. Ordinary meetings legally convene on the first call date if shareholders accounting for at least 25% of the voting shares are represented. No quorum is needed for the second call meeting[7].

Resolutions at ordinary meetings require a simple majority of votes cast for adoption. The meeting has authority to elect or dismiss members of the Board of Directors[8], elect auditors, approve the corporate financial statements and consolidated accounts, set the dividend, ratify agreements involving conflicts of interests between the company and its officers or major shareholders, determine the amount of attendance fees allocated to the Board of Directors, and permit the issuance of ordinary bonds or repurchases by the company of its own shares.

Extraordinary meetings are often subject to two calls dates, with different quorum requirements[9]. The first call meeting needs at least 33.33% of the voting shares to convene. The second call meeting needs at least 25% of the voting shares. Most often, companies

---

[6] Cross Border voting in Europe, September 2002, report by a group of experts chaired by Jaap Winter, www.wodc.nl; see also Jaap Winter, Cross Border Voting in Europe, speech at the Sienna Conference («Impact of securities market on companies and their regulation », March 30-31, 2000, (www.econpol.unisi.it/scdbank/CONFERENZA/FILE_PDF/2-Winter.pdf).

[7] Article L 225-96 of the Commercial Code.

[8] In two-tier companies, to appoint and dismiss the members of the Supervisory Board and of the Management Board (for the latter, subject to contrary provisions in the by-laws).

[9] Articles L 225-98 and L 225-97 of the Commercial Code.

consider the second call the date of the actual meeting and will make that clear in the Notice of Meeting. Resolutions at extraordinary meetings need a 2/3 majority of votes cast in order to pass. The meeting has sole authority to amend the by-laws, increase or reduce the equity capital and issue any security carrying a right, immediately or after a deferral, to the equity capital, and approve mergers, spin-offs and transfers of assets, stock options, etc.

The meeting of shareholders may delegate its powers relating to a capital increase or stock options to the Board of Directors (or Management Board), but only for a limited term[10], and naturally subject to a ceiling and to the issuing specifications that it has determined.

2. SHAREHOLDERS' RIGHTS RELATING TO THE PREPARATION AND PROCEEDINGS OF THE MEETINGS OF SHAREHOLDERS

The Board of Directors (or, in the case of a two-tier system, Management Board) sets the Agenda for the meeting of shareholders and submits to it the Draft Resolutions upon which it is to vote. This Agenda is mandatory.

The shareholders have substantial rights, however, to amend the Agenda or Resolutions, or to file resolutions of their own in advance or to amend Resolutions on the day of the meeting:

- **Director selection.** Regardless of the meeting's Agenda, any shareholder may move during the meeting for the dismissal of one (or more or all) of the Directors (or members of the Management Board or Supervisory Board) and appointment of another;
- **Resolution amendments**. Any shareholder may submit at the meeting one or more Amendments to the Draft Resolutions submitted;
- **Challenge resolutions**. One or more shareholders may, subject to a sliding scale of eligibility requirements, submit Draft Resolutions that the Board of Directors is bound to include in the Agenda. Challenge proposals are published at the company's expense along with managements Draft Resolutions[11]. To petition a resolution, shareholders must hold a minimum equity interest, declining from 5 to 0.5% according to the size of the companys capital. In practice, the threshold for companies with equity capital exceeding EUR 15 million is approximately 0.5% of the stock[12]; In addition, petitioning shareholders must submit a challenge resolution to the board within 10 days after the companys Notice of Meeting is published in the BALO, the official legal journal. This is normally a month or more in advance of the meeting. Drafts must be complete, and include a brief supporting statement.
- **Questions**. Whether or not they attend the meeting, any shareholder

[10] 26 and 38 months, respectively; Articles L.225-129 and 225-177 of the Commercial Code.

[11] Articles L.225-105 of the Commercial Code and 128 of the Decree dated March 23, 1967.

[12] In order to determine the total number of shares making up the stock, see the periodic bulletin issued by the Conseil des Marchés Financiers or the websites of issuing companies.

may ask questions in writing prior to the meeting, and the Board of Directors (or Management Board) is required to respond to them at the meeting. Questions must be forwarded between the time of publication of the Notice of Call and the meeting itself. Shareholders attending the meeting also have a right to ask questions during the meeting without having to submit them in advance.

- **Information**. Shareholders are entitled to information from management.[13]

3. SHAREHOLDERS IN FRENCH COMPANIES MAY VOTE IN SEVERAL WAYS

(i) By physically attending the meeting of shareholders: For this purpose, a shareholder or the shareholder's agent should request an Admission Card from the institution responsible for holding the account (the Account Keeper).

Naturally, any legal entity may be represented by an individual authorized for such purpose in accordance with the law applicable to it, and with its internal rules relating to delegations of powers[14].

Intermediated Non-Resident investors wishing to attend a meeting would normally seek, or have their agent seek, an Admission Card through their global custodian (Registered Intermediary). It, in turn, would forward the request to the subcustodian in France. Specific information on this procedure is provided below[15].

(ii) By completing a Paper Standardized Single Voting Form[16]. This pre-printed Form for which all the major companies have an English version allows:

a Vote by Mail; or

the grant of a Proxy to any other shareholder of the company (to exercise proxies, ownership of a single share of the company's equity capital is sufficient): the name and address of the agent should simply be entered precisely, and the agent informed; or

the grant of a Proxy to the chairman of the meeting (blank Proxy) : in such case, the form will be voted in favor of all Resolutions approved by the Board of Directors.

The company sends the Paper Single Form directly to each investor holding Registered Shares.

For Bearer shareholders, the company distributes Paper Single Forms to the banking networks, which put them at their clients' disposal. Shareholders who could not obtain a Paper Single Form from their Account Keeper financial institution, may file a request that

---

[13] See below Part I, Chapter III, § 2 "information to shareholders".

[14] On this issue see the ANSA releases n° 2645 (*Comité juridique* of March 3, 1993) and n° 2987 (*Comité juridique* of May 6, 1998).

[15] See Part II, Chapter I, Non-Resident investors using intermediaries, §5 "how to take part in the meeting of shareholders", Chapter II, Intermediaries Registered in accounts, § 9 "exercise of the vote by the shareholder".

[16] A common model of that form is appended hereto.

must be received by the company no later than 6 days before the meeting[17].

For Intermediated Non-Resident shareholders, the Single Form must be sent to the Registered custodian of their Securities (the Registered Intermediary)[18].

The Single Form, properly filled out, must be returned to the company or Account Keeper before a deadline set by the company's by-laws and indicated on the Paper Single Form itself[19].

(iii) By sending an Internet Electronic Single Form. This method is available if the company's by-laws have been amended to recognize the validity of electronic means of transmitting ballots[20].

Use of the Internet will allow the same options as voting on a Paper Standardized Single Form , ie request for an Admission Card, Vote by Mail, Proxy to another shareholder, Proxy to the chairman of the meeting[21].

4. VERIFICATION OF CAPACITY AS A SHAREHOLDER AND THE NUMBER OF VOTES

For Non-Resident shareholders voting through intermediaries as for Resident shareholders, the law gives responsibility to the Account Keeper (normally the sub-custodian) to verify eligibility to vote and the number of shares that may be voted. For Registered shareholders, company's records attest their eligibility. Identification procedures are detailed below[22].

5. PROXY FORM DEADLINES

These Forms allow remote voting or the issuance of Proxies before the meeting[23].

(i) Paper Standardized Single Forms

Deadlines are different depending on the type of shareholder and the course the ballot takes back to the company. Each company sets its own deadline through corporate by-laws, and the form must state what it is.

---

[17] Article 131-1 of the Decree dated March 23, 1967, as amended by the Decree dated May 3, 2002.

[18] See below, Part II, Chapter I, Non-Residents investors using Intermediaries, § 5 "how to take part in the meeting of shareholders", Chapter II, Intermediaries Registered in Accounts, § 9 "Exercise of the vote by the shareholder".

[19] See below in this Chapter, § 5 "Proxy Form deadlines".

[20] See below, Part II, Chapter I, Intermediated Non-Resident Investors, § 5 "how to take part in the meeting of shareholders", Chapter II, § 9 "Exercise of the vote by the shareholder".

[21] See below Part I, Chapter IV, Internet voting.

[22] See below Part I, Chapter II, Identification of shareholders.

[23] See above in this Chapter, § 3 Shareholders in French companies may vote in several ways (ii) "by completing a Standardized Single Form".

Investors owning Registered shares must lodge their ballot paper with the company or the Centralizing Entity not more than three days before the date when the meeting of shareholders is to be held [24].

Investors owning Bearer shares must send Forms directly or, if they are Non-Resident Intermediated shareholders, through their Registered Intermediaries to their Account Keeper (normally the subcustodian). The deadline by which the Account Keeper must have received the Forms is indicated on the Paper Standardized Single Form; this deadline is likely to be earlier than that set by the company to allow time for processing and transmission of documents. However, this deadline, too, must be specified on the form[25].

Regarding the date of the meeting, the relevant date is the one identified by the company in the Notice of Meeting as the intended actual meeting date. For instance, in the event that the company foresees that the Quorum required will not be reached on first call, it indicates the date on which the actual meeting will be held upon a second call [26]. The Paper Single Form is then to be sent to the company no later than 3 days before this latter date. If the Paper Single Form, however, was sent for the first call, it is still valid for the second call[27].

French law prescribes the original Paper Single Form must be sent. However, some major banks, acting as Centralizing Entities, often accept faxed, rarely e-mailed, forms on condition that the original is received later.

(ii) Electronic Single Forms (Internet voting)

Electronic Single Forms must be received by 3:00 p.m., Paris time[28], on the day before the meeting of shareholders. Owing to the risk of congestion, it is advisable not to wait until the last minute.

6. THE ATTENDANCE SHEET

French law gives wide access to shareholders to the voting records of investor meetings. Companies must draw up and retain for three years a complete list of all shareholders taking part in a particular meeting, specifying the number of their shares. Any shareholder has the right to inspect such records at the company's principal office during that period. This list indicates whether shareholders attending the meeting have Voted by Mail or sent Proxies, whether by mail or in electronic form[29].

---

[24] Article 131-3 of the Decree dated March 23, 1967, as amended.

[25] Article 131-3 of the Decree dated March 23, 1967, as amended.

[26] For the schedule of a meeting in France, see Chapter III in this Part, Calling the shareholders, § 1 "Schedule, Agenda".

[27] Art. 131-3, final para., of the Decree dated March 23, 1967.

[28] For instance, 2:00 pm UK time; 9:00 am US east coast time; 6:00 am US west coast time. Art. 131-3 of the Decree dated March 23, 1967 as modified by the Decree dated May 3, 2002.

[29] See Part II, Chapter IV, The issuing company, § 11 " the Attendance Sheet and the shareholders lists".

The absence of an Attendance Sheet is grounds for annulment of the meeting of shareholders and criminal penalties[30]. That annulment may be sought before the Courts for a period of three years.

If the company did not file a formal request for the list of shareholders voting through a Registered Intermediary, only the Registered Intermediary's aggregate number of votes will appear on the Attendance Sheet. If the company has asked for the list of shareholders voting through a Registered Intermediary, this list, including the number of votes for each shareholder, must be attached to the Attendance Sheet. Intermediated Non-Resident shareholders wishing to verify if their votes have been cast on each Resolution as instructed will have to query their Registered Intermediaries[31] on the matter.

It should be noted that no voting instructions for any shareholder are made available in the Attendance Sheet. Consequently, it gives no information on the voting instructions transmitted by the Intermediated shareholder to the Registered Intermediary.

Lists identifying shareholders voting through Registered Intermediaries and lists of rejected forms or votes have to be attached to the Attendance Sheet[32] in order to facilitate verifications in case of litigation.

7. SUPERVISION OF THE COLLECTION OF VOTES AND THE BALLOT

Most French listed companies[33] entrust organization of their shareholder meetings to one of the leading Paris banks or to a service provider. These outside parties are responsible for collecting voting forms and verifying voters' identities and number of shares. They also centralize voting procedures and tabulate the votes. The institutions are expected to act independently and to be accountable to the issuing company for proper and objective management of the voting. Voting documents, including proxies, like the Attendance Sheet, are kept for three years and may be consulted by shareholders wishing to dispute the ballot's outcome.

Failure by the chairman and officers of the meeting of shareholders to comply with the statutory rules relating to the exercise of votes attaching to shares is subject to criminal penalties[34].

---

[30] Art. L-242-15 of the Commercial Code.

[31] In case of any discrepancy between voting instructions and the effective vote cast, the Registered Intermediary is liable to its client; see Part II, Chapter II, Intermediaries Registered in accounts, § 6 "what liability does the Registered Intermediary incur", § 12 "Transmission and conservation of shareholders' orders".

[32] See Part II, Chapter III, the custodian Account Keeper financial institution, § 9 "What is to be done with Forms not received within the deadline", Chapter IV, the issuing company, § 11 "the Attendance sheet and the shareholders lists", § 14 "Rejected Forms or votes".

[33] Fewer than ten large listed companies organize their own meetings of shareholders (e.g., Air Liquide, Michelin, Lagardère).

[34] Article L.242-16 of the Commercial Code.

8. CHALLENGES TO THE VALIDITY OF THE MEETING OF SHAREHOLDERS, AND OF THE BALLOT'S LAWFULNESS

Any shareholder may challenge before the courts the lawfulness of a meeting of shareholders within three years after the date of the meeting[35].

The shareholder may assert a breach of the law or by-laws, a majority shareholder's abuse of holdings to favor his, her or its own interests to the detriment of the company's, or conversely the minority shareholders' abuse of their position - e.g., use of a one-third blocking minority at an extraordinary meeting of shareholders - to favor their own interests to the detriment of the company's.

Naturally, a legal challenge could also be grounded on charges of failure to comply with the procedure for calling the meeting of shareholders[36] (e.g., failure to make the mandatory publication of the Notice of Meeting or Notice of Call; failure to comply with the statutory periods required to elapse between those two publications and the date of the meeting, failure to observe the shareholders' right to obtain information[37], failure to observe the right of dissenting shareholders to have their Draft Resolutions included in the Agenda for the meeting) and, naturally, any error or fraud arising in the collection of voting forms or a count of votes that changed the outcome of a ballot.

The risk of annulment of the meeting and the criminal penalties attaching to failure to observe the shareholders' rights accordingly introduce a strong incentive for all parties to comply strictly with the rules.

---

[35] See also Part II, Chapter I, Non-Resident investors using intermediaries, § 11 "disputes", Chapter II, Intermediaries Registered in accounts,. § 12 "Transmission and conservation of shareholders' orders", Chapter IV, The issuing company, § 16, "Conservation of documents".

[36] Article L.242-11 of the Commercial Code.

[37] Articles L.242-12, L.242-13, and L.242-15 of the Commercial Code.

II. IDENTIFICATION OF SHAREHOLDERS

1. WHY IS IT NECESSARY TO IDENTIFY THE SHAREHOLDERS ?

In France, Securities are de-materialized[38]. As a result, most shareholders are known only to the financial institutions with which they have opened Securities Accounts, and not to the company whose shares they hold. Identification of the shareholders is important for several reasons:

- the credibility of votes at the meeting of shareholders hinges on a process to ascertain accurately that only shareholders take part in the ballot, and that they each exercise the number of votes that they actually hold;
- certain statutory rights are reserved for shareholders, who need to prove their positions as such in order to exercise them;
- the company may wish to identify its shareholders in order to communicate with them, e.g., by sending them a periodic newsletter, a practice increasingly common among large companies at least;
- last, the shareholders themselves may wish to identify the other shareholders or at least the major shareholders who may influence the decisions of meetings of shareholders.

2. THE MANNER OF IDENTIFICATION DEPENDS ON THE FORM OF HOLDING - DIRECT OR INDIRECT- OF THE SHARES.

In France, prior to de-materialization, "securities were held, traded and settled in a system of direct holding"[39]. The shareholder was registered in the issuing company's books

---

[38] **De-materialized securities**. Securities issued by French companies are "de-materialized", i.e., they are no longer represented by instruments printed on paper, but by entries in Securities Accounts opened either in the records of the issuing company (such securities are Registered) or in the accounts of a financial institution in France, bank or investment company (such securities are Bearer securities). Securities entered in the accounts of a financial institution may also be held in Registered form (Administered Registered Securities); in such case, they are also entered in the company's records. De-materialized securities are assigned by means of transfers between accounts.
The securities of listed companies are entered in the accounts of Euroclear France, the central depositary, in the name of each Account Keeper, issuing company or financial institution. Euroclear France performs settlement and delivery of securities listed with Euronext France.
Entry of the securities in the company's records or those of the financial institution ought, in principle, to be performed in the name of the Securities' owner. This system has been found to be entirely unsuited to the situation of Non-Resident shareholders, whose securities are usually entrusted to a global custodian registered for all his, her or its clientele in a pooled Securities Account opened in that party's name. The reform was precisely intended to make this situation lawful.

[39] Ch. Bernasconi, Report on the law applicable to dispositions of securities held through indirect holding

(Registered) or held a certificate evidencing the securities (Bearer).

De-materialization[40] replaced the earlier system of registers or Bearer Securities, without modifying the legal principle of direct holding: for tax reasons, the law requires book entry in the name of the Securities' owner.

In many other countries, de-materialization did not result in such a radical change: physical evidence of the shares remains in theory, insofar as the central depositary is entered in the company's records or holds the Securities in paper form, thereby appearing as a shareholder. It then opens accounts for financial intermediaries, which are themselves Account Keepers for other intermediaries or investors.

And even though the operation in practice of those two forms of holding and transaction in current accounts is similar, the legal analysis underlying a direct holding system and an indirect holding system differ substantially.

In a system of indirect holding, the number of intermediaries between the Beneficial Owner, the real Holder of Rights Attaching to the Share, and the issuing company may be very large, making it difficult to determine the identity of the Holder of Rights Attaching to the Share.

3. THE REAL HOLDER OF RIGHTS ATTACHING TO A SHARE

Under French law, the shareholder is the owner of the share. The concept of ownership is an absolute encompassing all rights in favor of a single person and accordingly, not allowing for the diversity of actual legal situations of Holders of Rights Attaching to Shares in systems of indirect holding.

The Beneficial Owner[41], in many legal systems, is not legally the "owner" of shares, even though he, she or it is the real Holder of Rights Attaching to the Share.

The definition of a Beneficial Owner varies according to the legislation and the contracts between him, her or it and the intermediary concerned.

The Beneficial Owner or Holder of Rights Attaching to the Share may in practice be defined as the person who, in the chain of intermediaries, is the first person not acting as an intermediary.[42] Intermediaries alone can identify that person, and the capacity as Holder of the Rights Attaching to the Share will accordingly be certified by the Registered Intermediary

---

systems, Preliminary Document 1 to the Hague Conference on Private International Law, nov. 2001.

[40] Article L.211-4 of the Monetary and Financial Code: "securities issued on French territory and subject to French legislation, regardless of their form, must be entered in accounts kept by the issuer or an authorized intermediary".

[41] The Beneficial Owner, as meant in this brochure, is not the beneficial owner of a trust as meant in common law countries (in this latter case, the beneficial owner is precisely, the legal "owner" of the securities).

[42] See the report from the expert working party chaired by Jaap Winter, "Cross Border Voting In Europe", sept. 2002 (see footnote 6 above).

in all cases and all procedures.

4. REGISTERED SECURITIES VERSUS BEARER SECURITIES

Few listed companies require their shareholders to hold their shares in Registered form, i.e., by entry in the company's records[43]. When the Registered form is not required by the by-laws of the company, every shareholder has an option to hold shares either as Bearer shares or in Registered form, in particular so as to have a means of direct communication with the company or to obtain the benefits connected with Registered holding, if any.

Certain companies grant benefits to shares held in Registered form uninterruptedly for two years at least (the by-laws may require a longer period). The benefits, which must be specified in the by-laws, may consist of an extra dividend[44] (not to exceed 10% of the ordinary dividend), or the grant of double votes[45].

Apart from these benefits, Registered shareholders gain by the fact that they are known to the company, which may therefore communicate with them directly, whereas Bearer shareholders need to ask intermediaries or the financial institutions acting as their Account Keeper to draw up Book-Entry Attestations to exercise their rights[46]. Holders of Registered shares are called to the meeting by mail individually. In addition, "Pure" Registered shareholders, i.e., those registered solely in the accounts of the issuing company, save the custody fees usually charged by financial institutions.

Most Non-Resident investors, however, have seen an advantage in overall cost and convenience in holding their shares in nominee names through custodians using Bearer shares.

5. ADR HOLDERS

ADRs (*American Depositary Receipts*) are Securities representing shares of a foreign company in the USA. they are issued by a US bank in consideration of shares that, it retains on deposit. French shares are held in Bearer form on behalf of the depositary bank and ADRs, like all US securities, are in Registered form and helds by the Depositary Trust Company (DTC).

As regards the identification and exercise of the vote by holders of ADRs, which are US securities, account needs to be taken of US law, French law, and the specific provisions of the agreement made between the issuer and the depositary bank (Depositary Agreement).

---

[43] On the other hand, all shares in unlisted companies are in Registered form.

[44] And extra shares, in the event of an allotment of bonus shares or stock dividend (attribution gratuite d'actions).

[45] For additional details see Part II, Chapter II, Intermediaries Registered in Accounts, § 5, «the procedure for identification of Holders of Rights Attaching to Shares by the issuing company ».

[46] See below, in this Chapter, § 8 "the attestation of capacity as a shareholder to exercise certain rights", Part II, Chapter III, the custodian Account Keeper financial institution, § 5 "Issuance of Book Entry Attestations".

Identification : US law allows an investor to remain unknown to the issuer. There is no process for identification (except as regards institutional investors over a certain amount and for mutual funds). The investor either makes himself, herself or itself known by entry in the record of ADRs holders, and is accordingly known to the issuing company, or remains anonymous and the depositary bank is entered in a shareholder's account with the issuing company.

Voting : as they do not hold shares, US holders of ADRs could not attend a meeting of shareholders in order to vote. For ADRs listed on the NYSE or NASDAQ, the voting procedure is similar to that for a US share: all ADR holders (registered in the company's records or whose securities are held by DTC) must receive a voting Form accompanied by the explanatory documents required to vote.

Distribution of the documents and collection of the voting Forms is organized by the depositary bank, which then forwards the votes to the issuer.

Certain companies have designed entirely transparent procedures, allowing the establishment of direct relations between the issuer and ADRs holders. The ADRs may accordingly be held in Registered form and the ADR holders enjoy the double voting rights, on terms allowing a freeze of the underlying securities. In practice, in certain cases, the book entry of ADR holders, both actual owners and intermediary nominees, has been accepted. The list of ADR holders is updated from time to time.

6. MANDATORY REPORTING BY THE LARGEST SHAREHOLDERS WHEN CROSSING CERTAIN THRESHOLDS OF INTEREST:

• Reporting by the shareholders themselves.

The law requires holders of shares obtaining more than 5%, 10% 20%, 33.33%, 50% or 66.66% of the equity capital or votes to report to the Conseil des Marchés Financiers[47] and to the company[48] that these thresholds have been crossed either way.

In addition, companies' by-laws may require in addition investors to report crossing of lower thresholds (commonly 0.5%).

Furthermore, when a shareholder acquires a number of shares representing more than one-tenth or one-fifth of the stock or votes, he, she or it must report to the company his, her or its proposed objectives for the coming twelve months[49].

The thresholds required by the by-laws are not always known to the shareholders. ANSA advises companies to mention them on their websites systematically.

The number of shares of each company is published in the bulletin of the Conseil des Marchés Financiers (10 issues a year). The number of votes is published in the BALO within fifteen days after the meeting of shareholders and whenever it changes up or down by more

[47] Within 5 trading days.

[48] Within 15 calendar days

[49] Article L.233-7, para. 7, of the Commercial Code.

than 5%.

The law[50] treats as shares or votes for the reporting of crossing of thresholds contracts providing for a call option or put option.

• Reports by Registered Intermediaries.

The Registered Intermediary, (usually global custodian), is also required to report the crossing of thresholds for all the shares managed or held subject to mandate.[51]

As regards the issue whether the Registered Intermediary is bound to make reports of intent when crossing the one-tenth or one-fifth thresholds with respect to stock or votes, and to report shares or votes which might be acquired by exercising options or agreements, the ANSA's *Comité juridique* [52] (Legal Committee) has found that the rules relating to reporting by Registered Intermediaries and those for shareholders' reports do not coincide.

As regards declarations of intent, the Registered Intermediary is only required to report acting in such capacity, as the custody of Securities precludes his, her or its having personal intentions.

As regards miscellaneous agreements or options, or composite securities, such Securities are not required to be reported by the Registered Intermediary as he, she or it is not their owner, even assuming that such Securities are concerned although the law refers only to shares; the Intermediary is merely the agent for the Non-Resident shareholder.

In addition, when the Registered Intermediary reports that capacity to his, her or its Account Keeper or the issuing company, there is no duty to report thresholds crossed before the law came into force. Neither does the reporting of capacity as a Registered Intermediary imply a duty to reconstitute the sequence of thresholds crossed, or even to provide information as to the levels of interest on the date when that capacity is declared[53].

It shall be pointed out, however, that ANSA has called for repeal of the Registered Intermediaries' duty to report the crossing of thresholds. Such reporting had been desired by issuing companies in order to locate the main blocks of securities held in collective accounts. That provision was not understood by the media, which confused individual reports of crossing of thresholds by shareholders and the global reports by Intermediaries, which merely record passively the transfers by or to their many clients. Having regard to this confusion and the cost of such reporting for the Intermediaries, the issuing companies, for which ANSA acts as spokesman, now wish this provision to be repealed[54].

• Additional information relating to the brief crossing of thresholds.

---

[50] Article L.233-9, para 4 of the Commercial Code.

[51] Monetary and Financial Code, Article L.214-32-I, and Commercial Code, Article L.233-7, final para.

[52] ANSA's *Comité juridique* of October 2, 2002.

[53] ANSA's *Comité juridique* of November 6, 2002.

[54] The "Financial Security" (*sécurité financière*) bill proposes the repealing of the last paragraph of article L 233-7 of the Commercial Code (art 84-II of the bill).

The ANSA's *Comité juridique*[55] considers that if the threshold is crossed for a period less than the period for reporting to the CMF, or for reporting to the company in the case of thresholds determined by the by-laws, the report is not required.

The principle selected is that the crossing of the threshold is to be reported only if the interest still exceeds it on the last day of the period for reporting: for instance, to use an illustration based on the statutory thresholds, an investor whose interest, starting from 0, crosses the 5% threshold on the1st day, even if it rises to 15% on the 2nd day, then 21% on the 3rd, is not required to make any report if it is back down to 4% on the 5th day (as regards for the thresholds required by the by-laws, the reporting is to be done, if that level is maintained for the following 15 days). On the other hand, if that same investor returns on the 5th day only to a 6% interest, crossing of the 5% threshold must be reported.

7. THE IDENTIFICATION OF BEARER SHAREHOLDERS BY THE ISSUING COMPANY

French law permits listed companies to identify their Bearer shareholders provided that the company's extraordinary meeting of shareholders has entered that option in its by-laws. The new law expands that right specifically to include Non-Resident Bearer shareholders.

The so-called TPI (titres au porteur identifiable/identifiable Bearer Securities) identification procedure is as follows. The company files a request with Euroclear France to identify all or part of its shareholders (it may request identification of only shareholders with a minimum number of shares, e.g., 1,000). Euroclear France queries its members-- the Authorized Financial Intermediaries-- which report to it all shareholders having Securities Accounts with them that contain shares of the querying company, and the number of such shares held by each. This list is then sent to the company. The Account Keepers are allowed 10 days to reply to Euroclear France, which may apply to the courts[56] to enforce their obligations against those Account Keepers failing to comply with this deadline or providing incomplete or erroneous information.

Until now, that list included only shareholders Resident in France, plus a handful of Non-Residents directly registered in accounts in France in their personal capacities. Most Non-Resident institutional investors use global custodians registered in accounts for all their clients. Companies could therefore only identify the custodian, not the underlying investors.

Having regard to the importance of Non-Resident shareholders in listed French companies, the New Economic Regulations Act of May 15, 2001 now enables companies wishing to identify their Bearer shareholders to query the global custodian reported as being a Registered Intermediary[57].

---

[55] ANSA's *Comité juridique* of October 2, 2002.

[56] The President of the Civil Court at First Instance, acting in summary proceedings (Article L.228-2-I of the Commercial Code).

[57] See below in this Chapter, Identification of Intermediated Non-Resident shareholders, § 11 "Company's right to identify Intermediated Non-Resident shareholders".

8. THE ATTESTATION OF CAPACITY AS A SHAREHOLDER TO EXERCISE CERTAIN RIGHTS: THE BOOK-ENTRY ATTESTATION

Certain rights are reserved by law for shareholders, e.g., inspection of the shareholder list[58] or of the Attendance Sheets for the last three meetings of shareholders at the principal office.

In certain cases, a shareholder (or groups of shareholders) must supply proof of their ownership of the requisite minimum number of shares required to exercise that right. That is the case, for instance, if shareowners wish to petition challenge Draft Resolutions onto a company's voting Agenda[59].

In practice, a Registered shareholder does not have to take any particular action, since the shareholder is known to the company, which also knows the number of shares held.

A Bearer shareholder, however, needs to request a Book-Entry Attestation from the financial institution keeping his, her or its account. The form amounts to a proof of ownership certificate, allowing the shareholder to take up rights due to all other shareholders.

9. AN END TO BLOCKING

Until now, the law provided for a "blocking" period before the meeting of shareholders to allow the process of verifying whether a prospective voter is eligible to cast ballots. During this period shares associated with voting were "frozen", to use the customary term, in their owners' Securities Accounts for a period not exceeding 5 calendar days. This mechanism drew extensive criticism from investors, who contended that they could not afford to forfeit the option to sell their shares in the event that the market trend should require that sale.

To resolve this long-standing concern, the Decree dated May 3, 2002[60] has amended this rule. Shareholders are now fully free to trade all or part of their shares during the verification period. Naturally, if they do so, the issuing company needs to be informed of the adjustment to be made to the number of votes at their disposal pursuant to such sale.

For Bearer shares, it is up to the Account Keeper to perform the adjustment, since the remaining number of shares is known to it.

In any event, once use of the Internet for the exercise of shareholders' votes has developed in France, periods required for verification of votes will diminish very

---

[58] See above Chapter I, Meetings of shareholders in France, § 6 "the Attendance Sheet", Part II, Chapter III, the custodian Account Keeper financial institution, § 9"What to do with Forms not received within the deadline", Chapter IV, the issuing company, § 11 "the Attendance Sheet and the shareholders lists", § 14 "Rejected Forms or votes".

[59] See above Chapter I, § 2 "Shareholders' rights relating to the preparation and proceeding of meetings".

[60] Decree dated May 3, 2002, art. 38 modifying art. 136 of the Decree dated March 23, 1967.

substantially[61].

10. INTERMEDIATED ACCOUNTS

Until the reform, French law did not recognize the validity of Intermediated Accounts. Any shareholder, Resident or Non-Resident, had to open an account in its, his or her own name with financial institutions in France or in the records of the issuing company.

French law now expressly allows, in listed companies, Intermediated Non-Resident shareholders not to be the individuals registered in accounts opened in their names, but to hold their securities in accounts, collective or individual, opened in the name of Registered Intermediaries. In such case, they may vote through their Registered Intermediaries and channels for voting instructions are adapted accordingly. In most cases, the Registered Intermediary is the Global Custodian[62].

Intermediation is possible either for Bearer shares or Registered shares. Intermediated Non-Residents enjoy rights that under previous rules were reserved for Registered shareholders. For instance, they may be able to take advantage of supplemental dividends or double voting rights. To do so, the Registered Intermediary must identify in sub-accounts the Securities that their owners hold as Registered, and certify to the issuing company that such Securities are held uninterruptedly by each owner (as the potential benefits are contingent upon uninterrupted holding for two years or more)[63].

11. COMPANY RIGHTS TO IDENTIFY INTERMEDIATED NON-RESIDENT SHAREHOLDERS

The New Economic Regulations Act of May 15, 2001, provides fresh rights to companies to identify the ownership of shares held by Non-Residents through intermediaries[64]. Procedures apply to Non-Resident shareholders who hold their shares indirectly through a custodian or other intermediary. Moreover, rules have been adapted so as to allow companies to penetrate the veil or multiple veils between the Beneficial Owner of the Security and the company.

The identification process works as follows. The law recognizes explicitly for the first time in France the right of Non-Residents to vote even if their securities are held collectively or individually through a third party, usually a global custodian. Such parties are now required to sign up in a new legal category called Registered Intermediary. Custodians are now able to assume this role, affirming that they are acting not as shareholders but in the

---

[61] See below, Part I, Chapter IV, Internet voting.

[62] See below, Part II, Chapter II, Intermediaries Registered in account.

[63] Article L 228-3 para 2 of the Commecial Code, in this Chapter, § 4 "Registered Securities versus Bearer Securities", § 11 "Company's right to identify Intermediated Non-Resident shareholders".

[64] Of course, any Non-Resident shareholder may hold its shares in an account opened in its own name, directly with an Account Keeper in France; in such case, they vote like Residents, using the same channel.

capacity of Registered Intermediaries[65]. The investors in whose behalf they act are referred to technically as Intermediated Non-Residents.

However, Intermediated Non-Residents must be identified to the company for them to exercise their rights. This is especially the case for Bearer shareholders whose securities are held in pooled accounts. The custodians of such securities, registered in an account in that party's name in France, must confirm their clients' identities as Owners of the Rights Attaching to Shares and the number of shares that they hold.

The new legislation sets up two types of identification procedures:

- a procedure that can be performed at any time, for Bearer (Article L.228-2 of the Commercial Code) as well as Registered shareholders (Article L.228-3 of the Commercial Code; and
- a procedure that is to be performed before the meeting in order to allow Intermediated Non-Residents to vote, even if the company has not provided for the TPI procedure in its by-laws[66] (Article L.228-3-2 of the Commercial Code).

The effects of these procedures are not identical.

Procedures at any time allow the company to know its shareholding at any date. Intermediaries have 10 working days from the date of the request to reply. In this case, penalties are used as an incentive to obtain accurate and complete answers from the chain of Intermediaries. An inaccurate or incomplete reply may be corrected in order to escape penalties.

Procedures before a meeting are carried out by the company directly with Registered Intermediaries to know the identity of Beneficial Owners voting. In this case, penalties have immediate effect: unidentified Intermediated shareholders are unable to vote. A list of rejected Forms is drawn up and attached to the Attendance Sheet[67].

Identification is triggered in one of four ways.

1. Company query for Bearer shareholders at any time.

A company wishing to probe ownership must first have authority in its by-laws to use a "TPI" (titres au porteur identifiable/identifiable Bearer Securities) procedure[68]. Then it has the right at any time to submit a formal inquiry (similar to a Section 212 inquiry in the UK) to Registered Intermediaries asking the identity of clients who have invested in the company. The new law provides remedies in the expected event that the Registered Intermediary (eg the custodian) is itself playing the role of middleman and does not know the identity of beneficial

[65] The obligations of Registered Intermediaries are detailed below, Part II, Chapter II.

[66] ANSA's *Comité juridique* of November 6, 2002.

[67] See above, Chapter I, Meetings of shareholders in France, § 6 "the Attendance Sheet".

[68] See above in this Chapter, § 7 "The identification of Bearer shareholders by the issuing company".

owners using nominee names or the account names of fund managers. In this case, the company has authority to submit its inquiry to clients of the Registered Intermediary (eg fund managers) further up the line until it gains knowledge of the ultimate beneficial owner. If the company is not able to obtain what it considers an accurate response, it has new powers under the law to impose sanctions against the shares in question. These include suspending payment of dividends or voting rights[69].

2. Company query for Registered shareholders at any time[70].

The procedure to be followed is identical to the one described for Bearer shareholders, except, of course, the TPI stage. The Registered Intermediary must provide information regarding identity of the securities' owners. When special benefits are provided under the by-laws, Registered Intermediaries must be able to confirm uninterrupted holding[71].

3. Shareholder initiative.

The Beneficial Owner of shares may, at his own initiative, seek a formal certificate from the Registered Intermediary identifying him as an owner. This would empower him to act on his own in relation to the company rather than through the Registered Intermediary.

4. Identification for voting purposes before the meeting[72]

Any Intermediated Non-Resident shareholder wishing to vote in France will have to provide his identity to the Registered Intermediary with the understanding that such identity will be supplied to the company if asked. This requirement applies whether the investor intends to issue voting instructions to the Registered Intermediary, obtain identification as a shareholder if wishing to attend the meeting, or complete the voting form personally[73]. When a Registered Intermediary votes on behalf of Intermediated Non-Resident investors, the company now has authority to require it to provide a list of shareholders for whom votes are cast, and their respective numbers of shares. The company may ask for this list before the meeting, even if its by-laws did not provide for TPI. If this list does not cover the whole number of the shares concerned, the company may act to deprive only those shares that are

---

[69] Article L.228-2 of the Commercial Code. See Part II, Chapter I, Non-Resident investors using intermediaries, § 2 "Exercise of the shareholder's rights implies consent to being identified as such", Chapter II, Intermediaries Registered in accounts, § 8 "Penalties for breach of disclosure rules".

[70] Article L 228-3 of the Commercial Code, see Part II, Chapter II, Intermediaries registered in accounts, 2, "the procedure for identification of the Holder of the Rights Attaching to the Share by the issuing company" and Chapter IV, The issuing company, § 2, "the keeping of Registered accounts and relations with Intermediated Non-Residents holding Registered Securities".

[71] Article L.228-3-2 of the Commercial Code. See below, Part II, Chapter IV, The issuing company, § 2, "the keeping of Registered accounts and relations with Intermediated Non-Residents holding Registered Securities".

[72] See below, Part 2, Chapter II, Intermediaries Registered in Accounts, § 8 "Penalties for breach of the disclosure rule", § 10 "Exercise of the vote by the shareholder", Chapter IV, the issuing company, § 9 "Company's request for lists identifying shareholders voting through Intermediaries".

[73] See below Part II, Chapter I, Non-Resident investors using intermediaries § 6 "who may sign a Voting Form or issue voting instructions?".

unidentified of their voting rights. The roster of rejected votes is then attached to the Attendance Sheet for inspection by any shareholder.

5. Let's take an example to illustrate how procedures 1 and 4 work:

Procedure at any time: The company French S.A. queries Euroclear using TPI authority. BNP-Paribas bank, a member of Euroclear, discloses that Nominees and Co Bank is a Registered Intermediary. French S.A. then sends a formal query to Nominees and Co Bank which responds by transmitting a list of underlying shareholders including Tax Paradise Bank, which is evidently an intermediary for other investors. French S.A. queries Tax Paradise Bank for a list of its Beneficial Owners. Various scenarios may then emerge. 1: Tax Paradise Bank does not answer. In this case, French S.A. applies penalties to Tax Paradise Bank's shares automatically without having to notify it; 2: Tax Paradise Bank supplies an incomplete response, ie a response not covering the whole number of the shares held. Here again, French S.A. has authority to apply penalties to the shares that are unidentified, without notifying Tax Paradise Bank.; 3:Tax Paradise Bank replies, naming Alcohol and Tobacco Cy as Beneficial Owner; French S.A., however, comes to the conclusion that the identification is false, and it applies penalties. French S.A. then has to notify Alcohol and Tobacco Cy of its decision to apply sanctions in order to allow the party to challenge French S.A 's decision before a French court. 4: Tax Paradise Bank supplies a full report of its underlying investor clients, which French S.A. deems to be accurate. Voting and other rights are fully available.

Procedure before the meeting: French S.A. files a formal request with entities certified as Registered Intermediaries for the list of Beneficial Owners for whom a vote is cast. Again, various scenarios may then emerge. 1: Nominees and Co Bank casts votes and sends a complete and accurate list of Beneficial Owners to French S.A. The votes are validly taken into account for the ballot 2: Nominees and Co Bank casts votes but sends a list of beneficial owners not covering the whole number of shares. Thus French S.A. has authority to apply penalties to the shares that are unidentified, without notifying Nominees and Co Bank. 3: Nominees and Co Bank casts votes and sends a list including Tax Paradise Bank French S.A. rejects all votes cast by Tax Paradise Bank on grounds that Tax Paradise Bank is not the Beneficial Owner, but is in turn an intermediary. The company then notifies Nominees and Co Bank, so that either Nominees and Co Bank or Tax Paradise Bank have standing to challenge the company's decision before a French court. French S.A. discloses its rejection of Tax Paradise Bank's votes in the list of rejected forms attached to the Attendance Sheet.

12. SOME INFORMATION RELATING TO PENALTIES

As demonstrated by the illustrations in the foregoing paragraph, the penalties may be divided into two classes: "leverage" penalties[74] and "merits" penalties[75].

The former class includes all penalties that end as soon as the situation is remedied, ie, as soon as a reply considered as being accurate is provided or the report is made, even late.

[74] Article L.228-3-3, para. 1 of the Commercial Code.

[75] Article L.228-3-2, para. 3 and Article L.228-3-3, para. 2, of the Commercial Code.

For instance, if a Registered Intermediary, queried by the company regarding the identity of his, her or its clients does not reply within the 10-day period allowed, but only after 21 days, the shares will in theory be deprived of votes and, if applicable, payment of the dividend will be suspended between the 11th and 20th day, but the penalty will be lifted automatically on the 21st day. This is clearly less a real penalty than a form of leverage to prevent systematic delays or evasion.

On the other hand, there is a real penalty when exercise of the rights attaching to the share depends on identification: this is the case when the company has asked the Registered Intermediaries to report the names and respective numbers of shares of the parties for whom they vote. If the Registered Intermediaries vote more shares than are identified, those not identified will be deprived of votes.

Illustration: a global custodian, Registered Intermediary, holds 1,950,000 shares of a company having asked for identification of all the shares voted by an Intermediary. If the Intermediary votes only 1,250,320 shares, all identified, none may be deprived of a vote. If the Intermediary votes all the shares held but identifies only 1,250,320, the difference between 1,950,000 and 1,250,320 will be deprived of votes.

The same applies to the enjoyment of special rights (extra dividend, double votes, etc.) which the by-laws may grant to shares held uninterruptedly in Registered form for two years at least: to enjoy such special rights, the Intermediary must have provided "the information... allowing ascertainment of satisfaction of the conditions required for exercise of such rights"[76].

Application of the penalties gives rise to many issues, including the following.

• Issues relating to the assessment of the reply's validity and accordingly of whether a penalty may be applied or not.

Simple situations are those in which no assessment is required:

- there has been no reply, even after expiry of the period allowed;
- there has been a query and a reply regarding only part of the shares held by the Intermediary.

Situations requiring assessment, as seen in the foregoing paragraph, are more complex: when the company suspects that a party registered in an account is an intermediary, but not having reported himself, herself or itself as such, or if in the list provided by the Registered Intermediary, certain clients manifestly appear to be intermediaries refusing to answer the queries.

In such case, the company must inform the persons concerned that it is proposing to treat them as Intermediaries subject to the duty to report themselves as such and/or to disclose the identities of the parties for whom they act; such notice enables them either to remedy the situation by replying, or to dispute the company's view, possibly before the courts if the latter persists.

---

[76] Article L.228-3, para.2, of the Commercial Code.

• Issues relating to the duty to apply a penalty.

Any query intended (outside the voting process) to identify the shareholders may receive an incomplete reply, either because the mobility of capital changes its holding at all times, or because the cost of identification of small shareholders at the end of a long chain of intermediaries is likely to be excessive.

If the chain of intermediaries is particularly long, the successive queries may be time-consuming and costly. It goes without saying that shares not identified through abandonment of the identification process or because they cannot be identified should not be penalized, which would discourage Non-Resident shareholders.

On the other hand, when the company has asked the Registered Intermediary to provide a list of parties whose voting instructions he, she or it performs or whose votes he, she or it forwards, the company cannot fail to penalize shares not identified at the vote owing to the mandatory character of the final paragraph of Article L.228-3-2[77].

[77] "A vote or proxy issued by an intermediary either not having reported his, her or its capacity as such under article L.228-1 para 4 or the second paragraph of this Article, or not having disclosed the identities of the securities' owners under Articles L.228-2 or L.228-3, may not be taken into account."

III. CALLING THE SHAREHOLDERS: MEETING SCHEDULE - AGENDA - DRAFT RESOLUTIONS

1. SCHEDULE AND AGENDA

The statutory schedule for the calling of a meeting of shareholders in a French company is designed to allow dissenting shareholders to have their Draft Resolutions entered in the meeting's Agenda, and to obtain the same measure of exposure to shareholders as the proposals from the Board of Directors (or Management Board). The new law makes no changes in this process.

The Board of Directors (or Management Board) must publish at least 30 days before the date of the meeting of shareholders a Notice of Meeting[78]. It must contain the date, Agenda and the text of the Draft Resolutions that it will submit to the meeting for a vote. This information is in the same time made available on the websites of the BALO, the Commission des Opérations de Bourse (the market regulator) and the company.

The shareholders then have 10 days in which to submit additional Draft Resolutions to the Agenda or to file amendments to management Resolutions. The Board of Directors (or Management Board) is obligated to enter the dissenting shareholders' Draft Resolutions in the Agenda if sponsors clear required eligibility thresholds[79]. During this period management may also make minor changes in the Agenda, if necessary.

The Board of Directors (or Management Board) is required to publish a second notice (Notice of Call) 15 days at least before the date of the meeting[80]. That notice contains the final Agenda, and therefore includes, if applicable, the "dissenting" Draft Resolutions and the text of all Resolutions.

The dual publication of the agenda- Notice of Meeting then Notice of Call- is sometimes the cause of confusion. However, the practice is designed principally to protect shareholder rights by making it possible for a small minority (holding as little as 0.5% of the equity capital) to compel the meeting of shareholders to discuss matters of concern to them even if the Board of Directors (or Management Board) does not wish to do so.

In practice, dissenting motions are very rare[81] and in almost all cases, the Agendas

---

[78] In the case the company knows that the quorum will not be reached upon first call (which is not unusual for extraordinary or combined -both ordinary and extraordinary- meetings), the Notice of Meeting announces the actual date of the meeting, ie upon second call. Such wording is commonly used: "the combined meeting will be held in all probability upon second call on the [date]; To comply with statutory provisions, the meeting is convened upon first call on the [date]; in the probable case this meeting could not be held, because of insufficient quorum, it would be convened again on the [date of the second call]".

[79] See in this part, Chapter I, Meetings of shareholders in France, § 2, "Shareholders' rights relating to the preparation and proceedings of meetings".

[80] The Notice of Call announces also, in the case the company knows that the Quorum will not be reached upon first call, the date of the second call. See the wording above.

[81] This is probably owing to the fact that the agendas of meetings of shareholders are always extensive and always allow the settlement of many issues; in such case, the shareholders need only vote for or against the

and texts of Resolutions are identical between the preliminary Notice of Meeting and final Notice of Call.

ANSA advises companies to specify in the final Notice of Call whether there have been changes or not in relation to the Notice of Meeting, and what those changes are[82]. In any case, in the event the meeting fails to meet quorum requirements on the first call, the Agenda announced in the first Notice of Call cannot be modified for the second Notice of Call.

The table below refers to minimum statutory periods[83]. In practice, many companies release preliminary Agendas far earlier.

As mentioned above, in almost all cases, the Notice of Meeting may be considered as containing the final Agenda and Draft Resolutions.

In addition, companies know from experience whether or not they will be able to hold the meeting of shareholders upon a first call with the required Quorum. Those with a few major shareholders succeed in this and choose a period exceeding the statutory period of a fortnight. Those with widely-held stock ownership warn the shareholders, in the Notice of Call, that the meeting will convene only upon the second call. In practice, the period between the Notice of Call and the actual date of the meeting always exceeds twenty days.

The schedule for each company's meetings may be found on the company's own website, the Euronext website (for the four hundred largest French companies), and the BALO's website.

Board's proposals.

[82] Registered shareholders are called individually by mail.

[83] Failure to comply with the minimum statutory periods is grounds for annulment of the meeting of shareholders.

Schedule for the calling of a meeting of shareholders

(calendar days)

These statutory periods are minimums;
they have not been modified by the Act dated May 15, 2001.

No later than D-30	Publication of the first, preliminary notice ("Notice of Meeting") in a newspaper authorized to carry legal advertisements (BALO) and on the websites of the issuer, COB and BALO, containing: the date and location of the meeting, the Agenda and the Draft Resolutions that the Board of Directors (or Management Board) wishes to enter in the Agenda.
D-30 to D-20	Period allowed to the shareholders[84] to propose further Draft Resolutions for the Agenda or amendments to management□s Draft Resolutions[85].
No later than D-15	Publication of a second notice ("Notice of Call") in a newspaper authorized to carry legal advertisements (BALO) and on the websites of the issuer, COB and BALO, repeating the information provided by the Notice of Meeting and pointing out any additions to the Agenda or amendments to Draft Resolutions (approved or not by the Board of Directors). Sending of letters of notice to the Registered shareholders, by post or electronic mail. The Agenda is usually identical to the one announced in the Notice of first Call.
D	Date of the meeting of shareholders upon the first call
If the Quorum requirement[86] is not met, the meeting of shareholders is called again.	

[84] Article L.225-105 of the Commeical Code. According to the amount of stock, the minimum interest required for submission of a further draft resolution is between 5% and 0.5%, declining according to brackets of equity capital (in practice, for companies with equity capital in excess of EUR 15,000,000, the threshold is approximately 0.5%).

[85] The Chairman of the Board of Directors (or Management Board) must acknowledge receipt of draft resolutions, by registered mail within 5 days after such receipt.

[86] Reminder of quorums: upon a first call, 33.33% of the voting shares for extraordinary meetings of shareholders and 25% for ordinary meetings; upon a second call, 25% of the voting shares for extraordinary meetings, no quorum for ordinary meetings.

No earlier than D+1	Publication of a third notice ("notice of second call") in the same manner, for the meeting of shareholders to convene upon a second call. Sending of letters of notice to the Registered shareholders, by post or electronic mail.
No earlier than D+7 **No later than D +60**	Date of the meeting of shareholders upon the second call.

2. INFORMATION TO SHAREHOLDERS

(i) Where to obtain it

French listed companies are subject to a mandatory duty to publish financial information. This information is published either in the Bulletin des Annonces Légales Obligatoires (BALO), or in the COB's data-base of releases ("Sophie").

Both are accessible over the Internet and are connected by a hypertext link ("navigation tool" then "links", on the COB site):

Directorate of Official Journals, BALO: www.journal.officiel.gouv.fR
COB ("Sophie"): www.cob.fr

In addition, the financial schedules of the largest listed companies are available from Euronext's site: www.euronext.fr

Furthermore, most large listed companies have websites, where the information is frequently available in English.

All these sites are accessible to the general public and not to shareholders only.

(ii) What information is available ?

Mandatory periodic financial information: corporate accounts, consolidated accounts, quarterly sales, annual reports, etc.

Mandatory occasional financial information: either prior to a financial transaction (issue of securities, stock or cash take-over bid, company redemption of its own shares), or if there occurs an event which would materially affect the share's market price.

In addition, large companies publish many items of supplementary information.

(iii) Information prior to the meeting of shareholders

Various documents are made available to the shareholders at the company's principal office from the date of calling of the meeting; most of them are published or available from the company's website:

• the statement of assets and liabilities of the company;
• the annual accounts for the past financial year, and the table of allocation of earnings and inventory of securities held by the company;
• the table of earnings for each of the past five financial years;
• the reports from the Board of Directors or Management Board, comments from the

Supervisory Board;

• the reports from the statutory auditors;

• the text of Draft Resolutions submitted by the Board of Directors or the Management Board and, if applicable, of Draft Resolutions submitted by shareholders;

• information relating to the Directors and General Managers, or members of the Management Board and Supervisory Board;

• information relating to the compensation paid to the best-paid members of the company;

• the list of Registered shareholders, closed on the sixteenth day before the meeting;

• the latest report on employment and labor relations, accompanied by the opinion from the Works Council (comité d'entreprise).

(iv) Any person providing evidence of status as a shareholder may require that the company send certain documents before the meeting of shareholders:

• the Agenda of the meeting;
• the report from the Board of Directors (or Management Board and if applicable, comments from the Supervisory Board);
• the summary report on the company's position during the elapsed financial year;
• the table of the company's earnings during each of the past five full financial years;
• the annual accounts for the elapsed financial year;
• the consolidated accounts for the elapsed financial year (if applicable to the company);
• the reports from the statutory auditors;
• the text of Draft Resolutions on the Agenda;
• the names and forenames of the Directors and General Managers (or members of the Management Board and Supervisory Board);
• information relating to nominees for appointment to the Board of Directors (or Supervisory Board or Management Board);
• a Standardized Single Form[87] allowing Voting by Mail or the grant of a Proxy.

(v) Certain information is available only at the company's principal office:

This includes the statement of assets and liabilities[88], which is normally too voluminous to be sent to shareholders, and likewise documents covered by legislation protecting the privacy of personal computer data, including in particular the list of shareholders, which is made available during the fifteen days prior to the meeting Also, the Attendance Sheets for the past three meetings and Proxies received for those three meetings may be inspected at the principal office at any time during the year.

[87] Certain companies use a form they have drafted for themselves.

[88] Defined in a Decree dated November 29, 1983, article 6 (translated for information): "the statement of assets and liabilities describes all the items of assets and liabilities, specifying for each of them the amount and value on the date of the determination".

1. THE TEXT OF DRAFT RESOLUTIONS SUBMITTED TO THE MEETING OF SHAREHOLDERS IS PUBLISHED WITH A SUMMARY, ON PAPER AND THE WEBSITE.

ANSA advises companies having Non-Resident shareholders to publish these texts in English; some even do so in several foreign languages

Investors sometimes request that companies print titles or summaries of resolutions on the voting forms to facilitate voting. Internet ballots will make this feature possible. Electronic Single Forms are expected to include a summary of each Resolution on the web page relating to voting choices. However, the current system of Paper Forms is not suitable for similar adaptation. The optical processing of thousands or even millions of voting Forms requires standardization on a standard-sized page[89]

[89] A sample Standardized Single Form for optical reading is appended.

IV. INTERNET VOTING

The Act dated May 15, 2001 allows issuing companies to offer their shareholders voting at meetings of shareholders through telecommunication means, provided they amend their by-laws accordingly. The technical discussion that follows is designed for market bodies involved in ballot transmission.

An agreement among the local operators90 has determined a basic set of rules for Internet voting before the meeting, essential to proper operation of the system. These are designed to be observed by issuing companies, financial institutions and service providers. Those rules are set out below.

In addition to these minimum rules, the various operators will have discretion to add further stages or documentation in the Internet-voting process so as to provide enhanced functionality.

1. GENERAL PRINCIPLES BINDING ALL PARTIES REGARDING THE TRANSMISSION OF AN ELECTRONIC SINGLE FORM BEFORE THE MEETING[91]

1. **Voting by a means of telecommunication (Internet) shall be applied in companies whose by-laws allow it**; the by-laws may also specify whether shareholders may vote only before the meeting of shareholders or whether they may also vote during the meeting; if this is not specified in the by-laws, it must be in the Notice of Meeting and Notice of Call.

2. Notices of Meeting and of Call [92]must detail precisely the procedure to be applied for a vote over the Internet. Voting by means of Electronic Single Forms is possible from the time specified in the Notice of Meeting and the Notice of Call to D-1 at 3:00 p.m., Paris time (D being the date of the meeting of shareholders).

In the notices, issuing companies will advise shareholders not to wait until D-1 at 3:00 p.m. to vote, in order to avoid congestion at the head of the channel (possible gridlock of Internet communications) which would result in the Electronic Single Form not being taken into account owing to late arrival in the computerized voting channel, as the Form would arrive at the first electronic admission gate for votes after 3:00 p.m. on D-1.

3. An issuing company preparing its meeting of shareholders shall first ensure, or request its service provider to obtain from the banking networks a prior assurance, that the

---

[90] The Internet voting procedure has been approved by all the concerned parties in France (banks' and large listed companies' representatives) and, consequently, should be imperative for financial institutions until a new procedure is elaborated.

[91] Procedures relating to the electronic vote during the course of the meeting are detailed below (chapter V).

[92] Published in the BALO, this publication being mandatory if a company is listed or offers shares or other securities to the public.

proposed system and channel will work.

4. An ad hoc system (access on a special site to the on-screen Electronic Single Form, voting channels, computers) must be dedicated to votes; Swift may be used between financial institutions, it is due to be adapted for the Internet ("Swift net").

5. When forwarded over the Internet, the single form for a Vote by Mail, Proxy granted to the Chairman, or Proxy to another named shareholder is referred to as an Electronic Single Form. The minimum functionalities of this Electronic Single Form shall be identical regardless of the issuing company. Naturally, like the Paper Standardized Single Form, the Electronic Single Form shall contain, for votes issued before the meeting of shareholders, a way for a shareholder to select among four kinds of voting options, to wit: attendance at the meeting (request for an Admission Card[93]), Proxy granted to the Chairman, Proxy granted to an agent, Vote by Mail.

6. The channel for each party involved in the system especially the Account Keepers must contain a security device at each stage of transmission of the vote or voting instructions. For each transmission, at each stage of the channel, one or more admission gates shall be set up. These gates will allow validation of the accuracy of the information received from the previous stage and prevent any hacking or loss of data. Likewise, before the Electronic Single Forms are sent to the final ballot box, one or more admission gates shall receive and validate them (according to source, type of voting instructions, etc.).

7. Determination of shareholder eligibility and the number of votes:

This verification results in issuance of an electronic signal: Verification Certificate for Bearer shares, if required by the by-laws; Book-Entry Attestation in other cases. This signal must be included in the Electronic Single Form, or accompany it and travel with it, or be matched to it at the latest at the last admission gate before the ballot box.

This verification is performed :

- for Bearer shareholders, by the Account Keeper;
- for Registered shareholders (Pure or Administered), by the issuing company (or its service provider).

8. The Electronic Single Form and the accompanying information shall be prepared by the issuing company and forwarded to the dedicated sites and banking networks, if necessary (Bearer shares).

9. Encrypted data (for voting before the meeting) combined, if necessary, with secured certifications (for voting during the meeting and votes by Proxy) shall verify for the Centralizing Entity the voting party's status as a shareholder or Registered Intermediary, and the number of votes at his, her or its disposal.

10. The Electronic Single Form, sent by the shareholder over means of telecommunications (Internet), shall be irrevocable, regarding the vote issued, once it has

[93] When voting over the Internet is allowed during the course of the meeting, an Electronic Admission Card has to be issued.

entered an admission gate on the site dedicated to voting. It may no longer be amended, except in the event of sale of shares[94], and in that case only to modify the number of shares and the corresponding number of votes (when new shares are bought, a new Electronic Single Form is completed, at least for Bearer shares[95]).

11. The date of sending and the time of arrival of the Electronic Single Form shall be those of arrival at the first admission gate of the dedicated system That first admission gate shall automatically issue a time-stamp entered in the Electronic Single Form and so accompanying it to the final ballot box.

12. The system must ensure that each shareholder votes the same shares only once.

In the event duplicate voting instructions arrive one set on paper and another on an Electronic Single Form, or twice on Electronic Single Forms only the first Form received shall be taken into account for the ballot, provided that receipt of the form shall be defined as follows:

- as regards the Paper Form, receipt by the Account Keeper;
- as regards the Electronic Single Form, entry in the first electronic admission gate for votes.

Successive and different votes relating to two separate blocks of the overall portfolio held by the same Non-Resident shareholder or shareholders represented by the same Registered Intermediary [96]may be taken into account. For Registered shares, it is accepted that in order to take account of double votes, the shares having been held longest shall be assigned to the first Electronic Single Form issued (the time-stamp issued by the first admission gate being conclusive) (FIFO rule).

13. **The Decree dated May 3, 2002 has removed the prohibition on sale by the shareholder of his, her or its shares during the so-called Verification period**, even if the number of votes has already been validated.

In the event of sale of Bearer shares, the number of shares and number of votes shall be adjusted before the Electronic Single Form is transferred to the final ballot box, at the latest on the day before the meeting at 3:00 p.m. As regards Registered shares, the number of shares and votes taken into account are those entered in the issuing company's records at 3:00 p.m. Paris time on D-1.

Since the 2001 reform, the Verification Certificate, as we have seen, no longer prevents holders of Bearer shares from selling their securities until the meeting of shareholders. The shares are therefore no longer frozen before the meeting of shareholders, whether they are Registered shares (possibly subject under the by-laws to a minimum period

---

[94] See below Part II, Chapter I, Non-Resident investors using Intermediaries, § 8 "From blocking to verification", § 9 "Sale of shares after sending of the Single Form or voting instructions or the request for an Admission Card".

95 See in this chapter § 2, "Description of the Electronic Single Form" c).

[96] Provided, however, that the following equality is observed: "sum of shares voting in the name of a single registered holder = sum of that holder's holdings".

of registered holding prior to the meeting) or Bearer shares (even if the by-laws require issuance of a Verification certificate). That certificate is now only a certification of status as a shareholder on the date of its issuance and until the date of the meeting, unless there is a sale in the meantime of all the shares (which would give rise to a procedure of mandatory disclosure before D-1 at 3:00 p.m. for correction of the account, in that case a striking-out). That certificate shall either travel with the Electronic Single Form or be matched to it subsequently, prior to transfer to the final ballot box [97].

14. The Electronic Single Form shall, as soon as technically possible, allow Registered Intermediaries to issue Omnibus Electronic Single Forms[98], while "mixing" votes overall, i.e. issuing on a single Form, for the same Resolution, votes "for" in connection with a number of votes and votes "against" in connection with the remaining votes of Non-Resident shareholders represented. Registered Intermediaries are advised, however, in order to automate the processing of votes as much as possible, to issue several forms, each relating to all the votes of represented shareholders taking the same position [99].

15. **A final notice of receipt shall be issued once the Electronic Single Form has been transferred** to the final ballot box, certifying that it has been taken into account. The time of arrival of the Electronic Single Form shall be the time of its arrival in the channel, i.e., at the first admission gate where it is received, which shall issue automatically a provisional notice of receipt including a time-stamp. Any notice of receipt shall be sent to the person having issued the Electronic Single Form.

16. The systems must allow, **in the event of disputes**, tracing of the documents transmitted and the channels followed for a period of three years at least after the meeting of shareholders, regardless of the medium used and at each stage. If no action is brought within 3 years after the meeting of shareholders, the documents may be destroyed. Otherwise, the documents relating to the pending dispute shall be retained.

2. DESCRIPTION OF THE ELECTRONIC SINGLE FORM-Voting before the meeting of shareholders

Important: the Electronic Single Form will be made available to the shareholder solely for computerized use; the shareholder may neither download the form nor print it out and fill it in by hand like an original hard-copy form to replace the Electronic Single Form: for technical reasons (paper thickness and weight, printer specifications, bar-codes, etc.), such forms could be processed only manually either by the issuer or by the centralizing financial institution, entailing very large costs and delay.

Technical observation: in the event of a break or incident during completion of the

---

[97] For Administered Registered Securities, see in this chapter "channels followed by the information and the Forms".

[98] For a definition of Omnibus Forms, see in this chapter, 2, description of the Electronic Single Form, c).

[99] It should be noted that all shareholders, whenever possible in practice, will also have an option in law to mix their votes.

Electronic Single Form, the process will have to be repeated in full, since the shareholder will not have validated the sending.

The Electronic Single Form shall include, in all cases, at least the same statements (Articles 131-2, 131-3 and 131-4 of the Decree dated March 23, 1967) as the Paper Standardized Single Form.

The Electronic Single Form shall include all the following statements, required by statute and regulation and those required for identification of the shareholder and the related number of votes:

a) The mandatory statements are the following:

- name of the issuing company and address of its principal office, amount of corporate capital, and SIRET or Registry of Commerce and Companies number;
- location and date of the meeting of shareholders, and ordinary and/or extraordinary form [100];
- name, forename and address of the shareholder or name of the Registered Intermediary "acting in the capacity of a Registered Intermediary";

Note: when the Registered Intermediary votes and the issuing company has requested a list of Non-Resident shareholders seeking to cast ballots, provision is to be made for an additional click on screen leading to a file containing details of the shareholders for whom an omnibus vote is issued and the number of votes associated with each shareholder[101].

- number of securities and number of votes (mentioning the double-vote shares, if applicable, for Registered shareholders); this information may be pre-entered in the Electronic Single Form if it is issued by the Account Keeper; it may be modified by the shareholder, if the shareholder wishes to vote fewer than the total number of shares held;
- specification of the deadline (date and time) for the Electronic Single Form to be taken into account;
- on an optional basis: name of the establishment with which the securities are deposited for Bearer Securities, or holder's identification number in the issuing company's matrix for Registered securities.

b) The Electronic Single Form issued before the meeting must allow the shareholder to choose among the various forms of participation in the meeting of

---

[100] An extraordinary meeting of shareholders has authority to amend the by-laws or change the nationality of a joint-stock company, subject to a higher quorum and majority; an "ordinary" meeting of shareholders makes all other decisions (e.g. approval of corporate accounts); at a "combined" meeting, ordinary and extraordinary resolutions are reviewed and voted upon, with different majorities; a "special" meeting convenes the holders of a class of shares, i.e., holding the same rights and duties (e.g., preferred-dividend shares).

[101] A list is to be joined to the Attendance Sheet. See in this Part, Chapter I, Meetings of shareholders in France, § 6 "The Attendance Sheet".

shareholders:

- direct attendance (application for Paper Admission Card);
- application for an Electronic Admission Card (if voting over the Internet is allowed during the meeting)
- Proxy to the Chairman;
- Proxy to an agent;
- Vote by Mail.

The Electronic Single Form should be available in foreign languages, at least in English and, if necessary, in other languages, at the issuer's option.

c) If the shareholder wishes to Vote by Mail:

- he, she or it must be allowed access, by clicking on the heading of the Resolution accompanied by its summary, to (1) the full text of the Resolution; and (2) the statement of explanation;
- for each Resolution, the shareholder is allowed either 3 boxes ("for", "against", "abstaining") or 2 boxes ("for", "against/abstaining"); it shall be expressly and clearly stated that abstaining shall be treated as a negative vote[102];

Note: the Electronic Single Form must allow the shareholder:

- to vote upon Draft Resolutions not approved by the Board of Directors (for, against, abstaining = against)
- and to specify a choice (Proxy to the Chairman, abstaining = vote against, or Proxy to another shareholder) if Amendments or new Resolutions were submitted at the meeting.

- Registered Intermediaries, usually global custodians, may send Omnibus Electronic Single Forms combining votes complying with identical instructions from Non-Resident shareholders.

In addition, certain shareholders or Registered Intermediaries (often a global custodian) completing an Omnibus Electronic Single Form will wish to "mix" votes by expressing, on the same Form for the same Resolution, votes "for" as regards to a certain number of shares, and "against" for the remaining shares, by entering the number of shares or votes "for", "against" and "abstaining" (= "against") in the appropriate boxes This option will be available as soon as it is technically ready.

- Before a shareholder submits a final vote, the system should recapitulate the selected voting instructions. For instance, the screen would read: "you have issued [x] votes in favor, [x] votes against/abstaining" on each Resolution. The system must

[102] Voting by exclusion ("I vote in favor except for the marked resolutions"), as practiced with paper voting forms, is expressly ruled out in this situation.

allow the voter to change selections already made before final validation[103]. Moreover, the system must be designed so as to warn the shareholder, at the completion of voting, of any failure to vote on one or more Resolutions, and to ask for confirmation of abstention, i.e., of a vote "against" those Resolutions.

Like the paper form, in the event of purchase of additional securities after issuance of a vote, and if the shareholder wishes to vote those additional shares[104], and in order to avoid any error, a second Electronic Single Form must be completed for the additional number of securities, the first Electronic Single Form having already been taken into account (it shall not be modified).

3. CHANNELS FOLLOWED BY THE INFORMATION AND THE ELECTRONIC SINGLE FORMS BEFORE THE MEETING

The circulation of information and Electronic Single Forms is set out in the diagrams attached as Appendix 3.

The shareholder shall log on to the site dedicated to electronic voting, the address of which shall be provided by the issuing company in the Notices of Meeting and of Call published in the BALO or on its site or by a notice in the press.

The Swift network will be used for the transmission of votes by telecommunication among financial intermediaries.

a) Channel for Resident shareholders and Direct Non-Resident shareholders

Direct Non-Resident shareholders naturally follow the same channel as Resident shareholders.

- For Registered Securities:

. the shareholder shall log on to the dedicated site specified by the issuing company in the Notice of Meeting and in the Notice of Call;

. in order to be able to log on to the dedicated site, the shareholder shall first be identified by means of the code allocated to him, her or it by the company[105];

. the dedicated site shall display the Electronic Single Form, designed by the issuing company or under its supervision, pre-completed with the shareholder's name, forename, address, number of securities and any double votes;

---

[103] If the form displays the three boxes ("for", against" and "abstaining"), the shareholder must issue a vote regarding the resolution or resolutions for which no vote has been cast; the final recapitulation will prevent the shareholder from "validating" if no response has been provided for one or more resolutions.

[104] Technical note: the shareholder may vote the additional shares only if they have been delivered to the shareholder's account, which is to occur no later than D+3 from the date of purchase.

[105] In certain situations, the company can ask to the Account Keeper to transmit these codes.

· the shareholder shall be allowed an option to request a paper Admission Card or an Electronic Admission Card (for companies allowing voting over the Internet during the meeting), or grant a Proxy, or vote on screen, Resolution by Resolution;

· as regards the information allowing a correction of the number of votes in the event of sale by the shareholder even though the number of votes has already been validated by the issuing company:

. as regards Pure Registered Securities, the company shall adjust itself the number of votes to be taken into account;

. as regards Administered Registered Securities, the information shall be forwarded to the company by the Account-Keeper financial institution having performed the selling order, which corrects automatically its shareholders accounts according to the forwarded Statements of Registered References and then modifies the number of shares to be taken into account.

In any case, the company's records shall prevail[106].

- For Bearer Securities:

· the Bearer shareholder shall log on to the dedicated site specified by the Notice of Meeting and the Notice of Call;

· the system set up must ensure that the Account-Keeper bank certifies at some stage of the channel the status as a shareholder of the person concerned and the number of shares that he, she or it holds;

· the verification of status as a shareholder shall either travel, starting at the first admission gate, with the Electronic Single Form, or be matched to the Electronic Single Form later in the channel, before arrival at the final ballot box;

· information allowing adjustment of the number of votes in the event of sale by the shareholder, even though the number of votes has already been validated, shall be forwarded by the Account-Keeper financial institution performing the selling order at the point in the channel designated to it;

- Then, before transfer into the final ballot box: all the data relating to identification, Votes, Proxies, or correction of the number of votes after a sale, having followed the secure channels (of the issuing company or Account Keepers), shall be centralized as and when they arrive, and at the latest at the admission gate(s) preceding the final ballot box.

b) Channel for Intermediated Non-Residents

• If the Intermediated Non-Resident shareholder votes through the Registered Intermediary he, she or it shall issue instructions to his, her or its global custodian (who in most cases has reported himself, herself or itself as the shareholder's Registered Intermediary), and the custodian shall have the responsibility of completing an Electronic

[106] Article 4 of the decree n°83-359 dated May, 2nd, 1983: "a holder of registered securities may appoint an authorized intermediary to manage his, her or its account opened with an issuer. In such case, the entries in that account shall be duplicated in an administration account kept by an authorized intermediary, and the holder agrees to issue further instructions to the latter only".

Single Form.

• If the Intermediated Non-Resident shareholder wishes to complete the Electronic Single Form personally, he, she or it asks his, her or its global custodian to validate his, her or its identity and number of shares, and forward the Electronic Single Form to an electronic address assigned to him, her or it (usually the Account-Keeper financial institution's address).

4. SPECIFIC RULES APPLICABLE TO THE ACCOUNT KEEPERS AND THE CENTRALIZING ENTITY

Account Keepers and Meetings' Centralizers must comply with the minimum rules to ensure security of information as votes circulate through the designated channels.

a) Rules relating to Account Keepers

Each Account Keeper must, by the means of its choice, warrant to the Centralizing Entity:

- the voter's status as a shareholder on the date of the meeting; and
- for Bearer shares, the number of securities voted by the shareholder.

The Account Keepers shall have access to the Centralizing Entity's site by means of the encrypted security devices provided by the latter. The procedure is the same as for transmissions between Account Keepers and collecting banks.

Regarding Intermediated Non Residents, the Registered Intermediary certifies the shareholders status and the corresponding number of shares. The Account Keeper checks only that the total number of securities he, she or it holds for these shareholders does not exceed the total number of shares registered in the Registered Intermediary's account.

b) Rules relating to the Centralizing Entity

The Centralizing Entity may issue the requested "paper" or Electronic Admission Cards and the Attendance Sheet on the basis of the admission gate or gates receiving Electronic Single Forms sent by Account Keepers and the issuing company.

The Centralizing Entity's electronic ballot box shall receive, on the date before the meeting, after 3:00 p.m., in order to count them, the Electronic Single Forms from its gate or gates and the Electronic Single Forms of Pure Registered shareholders.

Voters exercising proxies shall have been previously credited for the number of securities and votes covered by the proxies.

5. ELECTRONIC VOTING DURING THE COURSE OF THE MEETING[107]

ANSA does not believe that specific technical preparations are as yet in place to enable reliable Internet voting while a shareholder meeting is in progress. However, certain companies will wish quickly to offer their shareholders the option to vote over the Internet in real time during the meeting of shareholders. In this event, the following guidelines apply.

Electronic voting during the meeting of shareholders, when possible, must comply with the general rules relating to electronic voting, subject to adaptations required for real-time voting.

In addition, the Electronic Notice [108] must meet the following specifications (a temporary screen proposition is attached as appendix 3):

• the shareholder must have made a prior application for an Electronic Admission Card on which any corrections relating to the number of shares and/or votes shall have been made already: application for that card shall have been made no later than the date specified in the Notice of Meeting and Notice of Call for the meeting;

• the Electronic Admission Card is a code provided by the Centralizing Entity; for Intermediated Non-Residents, that code shall be forwarded by the Registered Intermediary.

Note: that code is a set of encrypted identification data for voting before the meeting, to which are added, if necessary, certifications for voting during the meeting and voting through proxies, which must allow verification of status as a shareholder or Registered Intermediary of the party voting, and the number of votes at his, her or its disposal.

• the shareholder is allowed a limited time to vote (he, she or it votes at the same time as the shareholders at the meeting, but that vote needs to reach the location where the meeting is held): a standard period, specified on screen, shall be determined as the voting time per resolution; validation shall be performed Resolution by Resolution, and be instantaneous;

• in order to avoid the risk of hacking, one or more admission gates must be set up before Internet votes during the meeting are finally taken into account: it will not be possible, therefore, to announce the results immediately; a recapitulation will probably be required after all the Resolutions are voted[109].

---

[107] The agreement for Internet voting approved by the local operators does not include the provisions of this paragraph about electronic voting during the course of the meeting.

[108] For voting during the meeting, it is called an electronic "notice" (bulletin) instead of a "Form" (formulaire).

[109] The results of the ballot will be, of course, released by the end of the meeting.

PART 2

WHO DOES WHAT AND HOW ?

I. NON-RESIDENT INVESTORS USING INTERMEDIARIES

If you are a Non-Resident investor, you may, like any French Resident, open a securities Account in your own name directly with a financial institution in France (Bearer Securities or Administered Registered Securities) or in the records of the company (Pure Registered Securities); as a result, you will be identified as a shareholder of each company whose securities you hold, and receive any relevant information either from the company or from the financial institution keeping your account. The following section does not address shareowners investing in this fashion. Instead, it applies to the more common case of the Non-Resident investor without a personal securities account in France, but whose securities of French listed companies are acquired and held by an intermediary or chain of intermediaries.

If, a more frequent situation, you are a Non-Resident investor without a personal Securities Account in France, but whose securities of French listed companies are acquired and held by an intermediary or chain of intermediaries, the following section is meant for you.

Under the law, if you have no Securities Account in your name in France, you are not, prima facie, known as a shareholder to the company whose shares you hold. Only your global custodian, or the latter's sub-custodian, is identified. In order for you to exercise your rights as a shareholder, the intermediary plays a pivotal role.

1. CUSTODY OF SECURITIES IN AN INTERMEDIATED ACCOUNT IS AVAILABLE ONLY TO NON-RESIDENTS

For tax reasons, French legislation requires shareholders to hold their Securities in accounts opened in their names in the records of the company or a financial institution. The New Economic Regulations Act of May 15, 2001 now unequivocally recognizes the legal standing of Non-Residents owning their Securities through intermediaries such as custodians. To gain those rights, the custodian responsible for Non-Resident accounts must register officially as an Intermediary. Note, however, that the statute only permits legal standing for custodians in respect of French Securities traded on Regulated Markets.

First, a point concerning the concept of residence. This is entirely independent of the individual or legal entity's nationality: for instance, a US citizen domiciled in France is a Resident, a Frenchman domiciled in the USA is a Non-Resident.

The statute defines the criteria for Non-Residence: these are Non-Residents as defined by French civil law. To define a holder of shares Non-Resident in France or a Beneficial Owner, the legislation refers to Article 102 of the Civil Code, which provides that "the residence of any French national, as regards exercise of his or her rights under civil law, is the location where he or she has his or her principal establishment".

You may ask the custodian to have your Securities kept in Bearer form. You may also

have them kept in Registered form[110] despite the intermediation. Custody in Registered form is useful if you intend to keep your shares for at least two years in order to obtain special benefits a company may grant under its by-laws to long-term investors.[111] Such benefits include extra dividends or double voting rights.

The situation of a Non-Resident taking up Residence is considered below[112].

2. EXERCISE OF THE SHAREHOLDER'S RIGHTS IMPLIES CONSENT TO BEING IDENTIFIED

If you wish to exercise all your rights as a shareholder and, in particular, to vote, you must consent to being identified in accordance with the procedures provided for under French law. You may of course refuse to be identified, but in that case you may be unable to exercise some of your rights, and in particular you would forfeit your right to vote.

It is recalled that identification implies to mention both identity of shareholders and their number of shares.

Under the new law, you can expect your custodian to ask you whether you consent to being identified or not. But if you don't hear from the custodian or other intermediaries, you may take the initiative and issue your instructions to the custodian unasked. It is desirable to specify in the agreement made with your custodian whether you consent to being identified by the companies in which you will hold securities.

If you wish to sponsor or co-sponsor a challenge Draft Resolution on a ballot, or to pose questions of management in writing before the meeting of shareholders[113], you must ask your global custodian for a Book-Entry Attestation issued by the financial institution acting as the custodian's Account Keeper: that attestation will identify you as a shareholder and enable you freely to exercise your rights.

The company has authority in certain cases and times[114] to issue formal requests to identify its shareholders. In this event, it will ask your global custodian to disclose your identity, and the custodian will answer as instructed by you, either providing your identity or refusing to do so. In the event of a late[115], incomplete or erroneous reply, the company may

---

[110] A very few companies demand custody in Registered form. In most cases, this is an option for the shareholder.

[111] See above, Part I, Chapter II, Identification of shareholders, § 4 "Registered Securities versus Bearer Securities", § 10 "Intermediated Accounts".

[112] See at the end of this chapter, § 12 "What to do if you take up residence in France".

[113] See above Part I, Chapter I, Meetings of shareholders in France, § 2 "shareholders' rights relating to the preparation and proceedings of the meetings".

[114] See above Part I, Chapter II, Identification of shareholders, § 11 "Company's right to identify Intermediated Non-Resident shareholders", Part II, Chapter IV, the issuing company, § 4 "Identification of Bearer shareholders at any time", § 5 "Identification of shareholders before the meeting and validity of their votes", § 9 "company's request for lists identifying shareholders".

[115] Within the TPI procedure, the period by which the the Registered Intermediary has to reply is 10 working days from the date of the request. Articles 151-4 and 151-5 of the Decree dated March 23, 1967, as amended by the Decree dated May 3, 2002.

resort to sanctions, including suspension of the vote and withholding payment of the dividend until the requested disclosure is made (Article L.228-3-3, Para. 1, of the Commercial Code)[116].

If the party queried knowingly refuses to identify the ultimate owner, a Court may, upon the application by the company or shareholders holding at least 5% of the equity capital, order complete or partial forfeiture of the votes attaching to the shares in respect of which the query was made for a term not exceeding five years. The Court could also order suspension of dividend payments associated with the relevant shares for a period of up to five years (Article L.228-3-3 para. 2 of the Commercial Code).

Last, you must be identified at the time of the meeting of shareholders if you take part in it by voting and if the company has so requested previously.

3. DISCLOSURE OF CROSSING OF INTEREST THRESHOLDS[117]

The fact that your shares are held in an intermediary's account does not release you from the duty under the law to report to the Conseil des Marchés Financiers and the company whenever your share stakes cross thresholds defined by law or a company's by-laws.

Your total stake is determined by adding together all your shares in the same company held directly or indirectly, through several Intermediated Accounts, if applicable.

4. HOW TO KNOW THE DATE, THE AGENDA AND THE DRAFT RESOLUTIONS FOR THE MEETING

All the information relating to the meeting of shareholders is contained in the Notice of Meeting and Notice of Call published in the BALO[118].

In practice, in almost all cases, the Notice of Call is identical to the Notice of Meeting.

Certain companies with widely-held stock never manage to achieve the Quorum needed for the meeting to be held validly upon a first call. They typically draw shareholders' attention to that fact, and specify that the actual meeting will be held upon a second call at a different specified date[119].

---

[116] See above, Part I, Chapter II, Identification of shareholders, § 11 "Company's right to identify Intermediated Non-Resident shareholders" and below, Part II, Chapter IV, the issuing company, § 4 "Identification of Bearer shareholders at any time", § 5 " Identification of Intermediated shareholders before the meeting and validity of their votes".

[117] See above, Part I, Chapter II, Identification of shareholders, § 6 "Mandatory reporting by the largest shareholders when crossing certain thresholds of interest", § 11 "Company's exercise of its right to identify Intermediated Non-Resident shareholders".

[118] Detailed information is provided in Part I, Chapter III, Calling to the meeting of shareholders, § 1 "Schedule, Agenda".

[119] In such case, you may consider the date set upon the second call as being the appropriate date and there is no point in asking to take part or vote before the meeting upon a second call. See above, Part 1, chapter III, Calling

5. HOW TO TAKE PART IN THE MEETING OF SHAREHOLDERS

Like any shareholder, you may take part in the meeting by attending it, by voting by mail, by sending proxies, and also (this is reserved for Non-Residents using intermediaries) by issuing voting instructions to your custodian[120] registered in a French account.

If you wish to attend the meeting, your agent must apply to your Registered Intermediary (Global Custodian) for an Admission Card. This application may be made without any specific formalities. The custodian will, in turn, request the card from the party acting as his, her or its Account Keeper (sub-custodian). The card is then sent to you by mail (or, increasingly, by e-mail).

If you prefer to complete the official voting form yourself by voting by mail or sending a Proxy to another shareholder or the Board of Directors, you must ask your global custodian for a Paper Standardized Single Form, issued to the latter by the financial institution keeping his, her or its account. This must be done swiftly to meet voting deadlines. In certain companies, Internet voting is also possible. Where it is, the company will indicate it in the Notices of Meeting and of Call[121].

You may also issue your voting instructions to your global custodian, who will complete the voting form in your stead.

6. WHO MAY SIGN A VOTING FORM OR ISSUE VOTING INSTRUCTIONS ?

For the shareholder personally

If the investor is an individual, and he or she wishes to handle the voting rather than issue instructions to agents, he or she is required personally to sign the voting form, the Proxy or the voting instructions issued to a third party. If the investor is a legal entity, company or institution, the law of its country, its by-laws and the delegations of authority granted by its legal representatives shall determine which individuals are authorized to enter into commitments on its behalf.

Representation of the shareholder by proxy

A shareholder may designate an individual to serve as a proxy at the meeting. The proxy must be another shareholder of the company -even if the person owns just a single share- and attend the meeting. Shareholders may also designate as their proxy the Chairman of the meeting who is then bound to vote in accordance with the positions of the Board of Directors (blank Proxy).

The new law also grants Non-Residents authority to ask their global custodians, registered themselves in French accounts and having reported that they are acting as

---

of the meeting of shareholders.

[120] This last option is not available to Residents, who may not be intermediated.

[121] See above, Part I, Chapter IV, Internet voting.

Registered Intermediaries, to vote on their behalf, by giving them voting instructions. In such case, the global custodian will exercise the vote with his, her or its signature in your name.

Whether you have voted directly or indirectly through the Registered Intermediary, you are not required to disclose documents proving validity of the vote or the voting instructions you have issued. On the other hand, you will be required to keep documents related to your vote for a period of at least three years in the event that another shareholder should challenge either the validity of the meeting itself or the vote on a Resolution[122] and dispute the lawfulness of your vote. Documents to be retained are, e.g., by-laws of your entity, if applicable, the power of attorney permitting an individual to issue voting instructions or to vote on behalf of your entity, an agreement between you and the Registered Intermediary or several successive agreements, etc.

It should be noted that French law allows electronic signatures.

7. INTERNET VOTING

If the company in which you hold shares has provided for it in its by-laws, you may also vote over the Internet.

This option is mentioned in the Notice of Meeting and Notice of Call, which will specify the procedure to be applied[123] if you wish to vote directly.

If you wish to vote through the Registered Intermediary, you may issue your instructions by any means agreed between you, and the intermediary will complete the Electronic Single Form in accordance with your instructions.

The Decree provides that the Electronic Single Form should be received on the day before the meeting of shareholders by 3:00 p.m., Paris time. The principles of the Internet-voting procedure are considered below.

8. FROM BLOCKING TO VERIFICATION

In order to be valid, a Paper Standardized Single Form must contain the shareholder's name and number of votes at the latter's disposal. These are certified by the financial institution acting as Account Keeper, usually by affixing its seal to the voting form completed by the shareholder, or sending one forwarding notice for all the Forms that it transmits.

Many French companies required shareowners wishing to vote to have their shares blocked from trading for up to five days before the meeting. The period enabled Account Keepers to verify shareholder voting eligibility. Until the reform, shareholders were prevented from selling their shares during this period; Non-Resident shareholders argued that the practice amounted to a strong disincentive to vote.

---

[122] This challenge may be entered within three years after the date of the disputed meeting.

[123] See above, Part I, Chapter IV, Internet voting.

In response to these objections, the new rule[124] changed the system for meetings convened in 2002. You may now sell all or part of your shares at any time, even after having sent your Voting form by Mail or named Proxies. But the number of shares at your disposal will have to be corrected. Companies will still maintain a period of up to five days to check shareholder eligibility. If you sell all or part of your Securities during the verification period and until the day before the meeting by 3:00 pm, notify your global custodian as to the number of Securities sold. He, she or it will forward the information to his, her or its Account Keeper, or to the issuing company. No adjustment will be required for a sale of shares performed after 3:00 pm, D-1.

In order to satisfy the statutory requirements, if you vote directly by mail or by sending Proxies, return the Single voting Form five days before the meeting to your global custodian, who will verify your shares for voting eligibility and forward your form to the Centralizing Entity. If you vote indirectly through your global custodian acting as a Registered Intermediary, issue your instructions to the latter more than five days before the meeting, or by whatever cutoff date it sets. He, she or it will complete the voting form and forward instructions to the Centralizing Entity.

9. SALE OF SHARES AFTER SENDING OF THE PAPER STANDARDIZED SINGLE FORM OR VOTING INSTRUCTIONS OR THE REQUEST FOR AN ADMISSION CARD

Such a sale is now possible at any time, even during the verification period prior to the meeting.

Your order for sale of all or part of your shares will usually be sent to the global custodian in charge of performing it. The latter accordingly has the information enabling him, her or it automatically to correct, in relation to the company whose shares you are selling or to his, her or its Account Keeper, the number of votes attaching to the shares and corresponding to the voting Form already issued or to your Admission Card.

The number of votes must be adjusted for every sale of shares that takes place in the verification period until 3:00 p.m. Paris time on the day before the meeting of shareholders. No adjustment will be required for a sale performed after that time.

10. CONFIRMATION THAT VOTES ARE CAST

Many shareholders have asked for confirmation that ballots have been lodged in order that there can be an audit trail for voting. In the Paper-based Voting system, that demand is difficult and costly to accomplish in practice, though the Attendance Sheet can be consulted to determine votes taken into account.

However, Internet voting will provide for an immediate notice of receipt transmitted directly to whichever party returns an Electronic Single Form[125]: If you have completed that

---

[124] Article 136 of the Decree dated March 23, 1967 as amended by article 38 of the Decree dated May 3, 2002.
[125] See above, Part I, Chapter IV, Internet voting.

Form yourself, you will receive the notice at the e-mail address that you have specified. If you have issued voting instructions to the Registered Intermediary, the latter will receive the notice for the Form issued. If that Form is an Omnibus ballot aggregating votes of lots of different accounts, the Registered Intermediary will be able to confirm that it has voted on your behalf.

11. DISPUTES

(i) A shareholder may verify if his, her, its vote has been taken into account in the ballot.

If he, she or it voted personally, the Attendance Sheet attests the vote has been taken into account with the number of shares voted.

If he, she or it voted through a Registered Intermediary, and if the company requested the list identifying shareholders voting through Registered Intermediaries, this list, attached to the Attendance Sheet, attests the vote has been taken into account.

In the case the shareholder voted through a Registered Intermediary but the company did not ask for identification of shareholders, only the global number of shares for which the Registered Intermediary voted is mentioned in the Attendance Sheet. The shareholder refers to his, her, its Registered Intermediary to verify if his, her or its vote has been cast according to the instructions transmitted[126].

(ii) A shareholder may challenge before a French court a company's decision to deprive its shares of their voting right, when, for instance, the company has considered as erroneous the reply to the request for identification[127]. The list of rejected Forms or votes must be attached to the Attendance Sheet[128].

(iii) A shareholder may also challenge before a French court[129] the validity of the meeting itself or the result of vote on a specific Resolution. In the case of a lawsuit, a judge could verify the votes cast and the related documents, such as instructions transmitted to intermediaries for instance.

12. WHAT TO DO IF YOU TAKE UP RESIDENCE IN FRANCE

• If, holding your French shares through a global custodian abroad in an indirect-

[126] See Part II, Chapter I, Non-Residents investors using intermediaries, § 6 "Who may sign a voting form or issue voting instructions", Chapter II, Intermediaries Registered in accounts, § 10 "Exercise of the vote by the Registered Intermediary".

[127] See Chapter IV, the issuing company, § 5, "Identification of Intermediated shareholders before the meeting and validity of their votes".

[128] See, Chapter IV, the issuing company, § 14 "Rejected Forms or votes".

[129] See above, Part I, Chapter I, Meetings of shareholders in France, § 8 "Challenges of validity of the meeting of shareholders and of the ballot's lawfulness may be entered before the courts within 3 years".

holding system[130], you take up residence in France, what are you to do ?

In such a situation, your securities need to be entered in specific accounts, in your name, either in Pure Registered accounts with the company, or in Administered Registered accounts or in Bearer form. The global custodian, as a result of your change in residence, may no longer act as Registered Intermediary but may continue to act as your agent, in particular by performing administration of your account or accounts.

That direct book-entry implies in particular that you must vote directly at meetings of shareholders, as your global custodian may no longer, as Registered Intermediary, forward your Resident's vote to the company; you may grant him, her or it a Proxy, under generally-applicable French law, only if he, she or it is personally a shareholder of the company[131].

• What happens if you or your global custodian, acting upon your instructions, do not open an individual account in your name ?

No penalty (withdrawal of vote and suspended dividend) will be applied automatically[132] if the company, in the course of an identification procedure, is informed that you are a Resident. According to the ANSA's *Comité juridique*[133], the company, the tax authorities or other shareholders could not complain of such a situation, as the shareholder is identified. Since there has been no concealment, there cannot be any damage.

The absence of damage, however, is no excuse for failure to comply with the procedures; accordingly, the company, or one or more shareholders with 5% of the stock at least, could apply to the courts[134] for penalties on the basis of failure to comply with the general rules relating to recognition of the Registered Intermediary on behalf of Non-Resident shareholders.

---

[130] See above, Part 1, chapter II, Identification of shareholders, § 2 "The manner of identification depends on the form of holding – direct or indirect – of the shares".

[131] Article L.225-106 of the Commercial Code: "any shareholder may be represented by another shareholder or by his or her spouse."

[132] Under Article L.225-3-3 of the Commercial Code, para. 1.

[133] Of November 6, 2002.

[134] Under Article L.225-3-3 of the Commercial Code, para. 2.

II. INTERMEDIARIES REGISTERED IN ACCOUNTS

If you are a custodian of securities for others, registered in a Securities Account in your name in the records of a French company or the accounts of a financial institution in France, this section concerns you.

Until now, there were no Intermediated Accounts under French law since, for tax reasons, Residents of France are required to open Securities Accounts in their own names only. As a result, Accounts registered in the name of another, such as an intermediary, could have appeared unlawful. The reform under the Act dated May 15, 2001 has consisted of accepting the practice of the most common form of holding by Non-Residents, validating it and adapting the rules so that Non-Residents whose securities are held in Intermediated Accounts may exercise through their custodians their full rights as shareholders: the law now accepts the book entry of parties holding in their accounts in France securities for others. It refers to them as Registered Intermediaries.

This new option represents an exception to the statutory principle that only the Securities' Beneficial Owner, who alone may vote, is allowed to be registered in a shareholder's account with the issuer or a financial institution.

This is a decisive step forward in the adaptation of French company law to international practice.

1. WHO MAY BE A REGISTERED INTERMEDIARY ?

Anyone. The law[135] does not provide for any requirements relating to nationality, profession or residence. Any intermediary, legal entity or individual, investment-service provider or banker, French Resident or Non-Resident, may, on behalf of third parties - provided that those third parties are Non-Resident - be registered in the shareholders' accounts of a French listed issuing company in his, her or its own name. The law does not impose any other requirements as to status in this respect.

Therefore, a Non-Resident global custodian, a French sub-custodian, or a Resident or Non-Resident proxy voting service provider, a trust, or a nominee, even an individual, could apply to become a Registered Intermediary.

Some commentators have deduced from this absence of a statutory requirement that the Account Keeper could also be the Registered Intermediary. This is an incorrect interpretation of French law[136].

There are in France two kinds of Custodian Account Keeper under French law:

- the issuing company itself for Registered shares when it issues

[135] Article L.228-1 of the Commercial Code.
[136] Opinion from the ANSA's *Comité juridique* of November 6, 2002.

Securities to the public;
- financial institutions authorized by the Conseil des Marchés Financiers[137].

The statutory and regulatory position as a Custodian Account Keeper under French law is separate from that of a Registered Intermediary and accordingly, the same legal entity could not perform those two duties. It goes without saying that the issuing company could not be a Registered Intermediary between itself and its shareholders, and that the Registered Intermediary could not report as such to himself, herself or itself.

The Registered Intermediary may also, if a foreigner, be an account keeper under his, her or its domestic legislation. On the other hand, such an intermediary could not combine those two duties for the securities of French companies and under French law.

2. WHAT ARE THE CONDITIONS FOR THE REGISTERED INTERMEDIARY'S OPENING OF A SECURITIES ACCOUNT TO DEPOSIT SECURITIES OWNED BY THIRD PARTIES ?

It is now accepted under French law that an intermediary may validly open in his, her or its name one or more individual or pooled shareholders' accounts, provided both:

a) that the Registered Intermediary reports sua sponte, when opening the account, his, her or its status as an "intermediary holding securities on behalf of others".

The Registered Intermediary is bound, when opening his, her or its account in France, to report sua sponte his, her or its status as an intermediary holding Securities on behalf of others, either to the issuing company (for Pure Registered Securities) or to the Account-Keeper Authorized Financial Institution (for Administered Registered Securities or Bearer Securities).

This statutory obligation is binding in all cases on an Intermediary being registered in an account. This report has to be made, even if the company does not intend to ask for the identification of its Intermediated Non-Resident shareholders and whatever provision is included in its by-laws (TPI clause)[138].

If intermediaries, by the time of publication of the Decree dated May 3, 2002, have already de facto opened one or more shareholders' accounts and they are not the Beneficial Owners of the Securities concerned, such Registered Intermediaries must remedy the situation by reporting their status[139];

and

---

[137] This business is regulated: Chapter VI of the Rules of the Conseil des Marchés Financiers, and Articles L.211-4 and L. 622-7-IV of the Monetary and Financial Code.
[138] Under Articles L.228-2-II para 2 and L.228-3 para 1 of the Commercial Code.
[139] Article 59 of the Decree dated May 3, 2002.

b) that the Beneficial Owners of the Securities are not Resident in France.

The Registered Intermediary may be registered only on behalf of Non-Resident owners of Securities. The law specifies the criteria of non-residence: this means Non-Residents as defined under French civil law.

The concept of a Non-Resident is entirely independent of the individual or legal entity's nationality: for instance, a US citizen domiciled in France is a Resident, a Frenchman domiciled in the USA is a Non-Resident[140].

In order to classify an Owner of Rights Attaching to a Share as Resident or Non-Resident, the statute refers to Article 102 of the Civil Code, which provides that "the residence of any French national, as regards exercise of his or her rights under civil law, is the location where he or she has his or her principal establishment".

This means that in principle, French Residents may not hold Securities issued by French companies in Intermediated Accounts.

It may of course occur that Residents request a Registered Intermediary to keep their Securities in a pooled account which may include Non-Resident Securities. If they are obviously French Residents, the Intermediary should refuse. If the Intermediary unwittingly holds Securities for a party who is in fact Resident in France, there are no specific penalties. The rights attaching to such shares may, however, be forfeited[141].

3. INTERMEDIATED ACCOUNTS

Intermediated Accounts may contain any Stock Securities admitted for trading on a Regulated Market, to wit, Securities carrying access, immediately or in future, to stock, and only Securities of this kind.

The Registered Intermediary may open a Non-Resident Intermediated shareholder's Securities Account with the issuing company, as regards Pure Registered Securities, or with one or more Custodian Account-Keeper Authorized Intermediaries, as regards Administered Registered or Bearer Registered Securities[142].

The Registered Intermediary and custodian Account-Keeper Authorized Intermediary will need on many occasions to exchange information or provide documents required by statute to one another. They may correspond by any customary means agreed between them, such as fax and e-mail, and if both are financial institutions, by the Swift network.

---

[140] See Part II, Chapter I, Non-Resident Investors using Intermediaries, § 12 "What to do if you take up residence in France."

[141] See in this Chapter, § 7 "What is to be done with shares held by Residents in pooled accounts?".

[142] Some foreign intermediaries have opened Securities Accounts directly with Euroclear France: in that case, their reporting on their status as intermediaries holding securities on behalf of others must be made to Euroclear France (Decree dated May 3, 2002, art. 46).

Individual or pooled accounts ?

The Registered Intermediary may open with the issuing company (Pure Registered Securities) or the custodian Account-Keeper authorized financial institution (Administered or Bearer Registered Securities), as many Intermediated Accounts in his, her or its own name as desired.

Categories include:

- individual accounts, per Holder of Rights Attaching to Shares (Beneficial Owners);
- a single pooled account for all Holders of Rights Attaching to Shares (Beneficial Owners);
- several pooled accounts, one per type of management contract with its clients (Beneficial Owners of the Securities); the latter solution is appropriate in particular to automate transmission of votes by type of response to the Draft Resolutions submitted to meetings of shareholders, according to the instructions issued under management guidelines.

The statute expressly provides that registration may be made in the form of individual accounts or a pooled account in the name of several Securities Beneficial Owners.

If the shares are Registered and give rise to benefits under the by-laws (extra dividend and/or double vote), you must provide the necessary information to the issuing company or your Account Keeper (if the Securities are held in Administered Registered form) for the shareholders concerned to be able to enjoy them (identity, number of shares), and certify that the shares have been held without interruption[143].

4. THE REPORT OF CROSSING OF INTEREST THRESHOLDS[144]

The Registered Intermediary is bound, without prejudice to the shares' Beneficial Owners' reporting obligations, to notify a company when holdings cross significant share-ownership thresholds for all the Securities in respect of which he, she or it is registered with an issuer[145].

This means that Registered Intermediaries' Reporting obligations are completely independent of those of individual Beneficial Owners'. Besides, Registered Intermediaries' reports mention neither the name nor the number of shares of Beneficial Owners.

These Reports are required to allow companies to know which are the custodians keeping a large number of their shares and thus to be able to contact them.

---

[143] Article L.228-3 para 2 of the Commercial Code.

[144] See above, part 1, Chapter II, Identification of shareholders, § 6 "Mandatory reporting by the largest shareholders when crossing certain thresholds of interest".

[145] Final paragraph of Article L.233-7 of the Commercial Code.

As regards declarations of intent, it is sufficient for the Registered Intermediary to state that he, she or it is acting in that capacity, as the custody of Securities precludes personal intentions.

ANSA has called for repeal of the Registered Intermediaries' duty to report the crossing of thresholds. That provision was not understood by the media, which confused individual reports of crossing of thresholds by shareholders and the global reports by Intermediaries, which merely record passively the transfers by or to their many clients. Having regard to this confusion and the cost of such reporting for the Registered Intermediaries, the issuing companies, for which ANSA acts as spokesman, now wish this provision to be repealed.

5. THE PROCEDURE FOR IDENTIFICATION OF HOLDERS OF RIGHTS ATTACHING TO THE SHARE BY THE ISSUING COMPANY

The issuing company may ask any Registered Intermediary to identify the Beneficial Owners of Securities held in the pooled Securities Account opened in his, her or its name. This is possible at all times for Registered shareholders. Bearer shareowners are more difficult to identify because they are anonymous. However, the company may initiate procedures to determine Bearer share ownership if it has shareholder approval for by-laws that permit such queries[146].

Identification of a shareholder includes access to information on both its identity and the number of shares associated with it.

Even if it has the option to do so in law, a company is never bound to perform such identification, nor to perform it for all its shareholders. On the other hand, it has strong leverage to compel the parties that it queries to answer correctly and in a timely fashion.

In the event of a late reply, the votes and dividend are held in abeyance until the situation is remedied; in the event of an incomplete reply, the votes and dividend are held in abeyance for the unidentified shares; in the event of a reply considered as erroneous by the company, the company decides to apply such penalties[147] and notifies it to the issuer of the reply.

A few questions concerning identification.

Does the list of Securities or Beneficial Owners provided by the Registered Intermediary need to be comprehensive ?

---

[146] See above, Part I, Chapter II, Identification of shareholders, § 7 "The identification of Bearer shareholders by the issuing company", § 11 "Company's right to identify Intermediated Non-Resident shareholders", Part II, Chapter IV, the issuing company, § 4 "Identification of Bearer shareholder at any time", § 5 "Identification of Intermediated shareholders before the meeting and validity of their votes", § 6 "The company is not bound to identify its shareholders".

[147] See above, Part I, Chapter II, Identification of shareholders, § 12 "Some information relating to penalties" and below in this Chapter § 8 "Penalties for breach of the disclosure rules", Chapter IV, the issuing company,§ 5 " Identification of Intermediated shareholders before the meeting and validity of their votes".

The Registered Intermediary is bound, if the issuing company so requests, to provide the identities of the Beneficial Owners[148]. However, it will often be the case that some or even all of the Beneficial Owners may be unknown to the intermediary. The Registered Intermediary may only have in its possession nominee names or the names of other intermediaries, such as fund managers, acting on behalf of ultimate owners.

If the Registered Intermediary is aware of the Beneficial Owners' identities, and is asked by a company to supply them, it is bound to provide a list of their identities.

In the event that a Registered Intermediary does not know the identity of Beneficial Owners, or if some of his, her or its clients assert their right to confidentiality, he, she or it will naturally be able to provide only a list of own clients who are themselves intermediaries (information available from the Registered Intermediary's records).

Registered Intermediaries are advised to request of their clients, at the time of appointment, whether they agree to be identified in accordance with French law and whether their own clients consent to it.

Any request for entry of shares in Registered form implies, in principle, the Beneficial Owner's consent to identification.

What is the process for queries regarding Bearer Securities ?

If the company's by-laws provide for use of the statutory procedure for identification of Bearer shareholders ("TPI")[149], it will act in two stages. First, it will first ask Euroclear France for a list of Bearer shareholders registered in accounts with French institutions. Resident shareholders registered in individual accounts will be listed in their own names, together with Registered Intermediaries having reported themselves as such.

At that first stage, the reply to Euroclear's query will come from the Custodian Account Keepers. The Registered Intermediaries are not involved.

Second, if the company wishes to be informed of the identities of the Beneficial Owners, it may file a formal request with any Registered Intermediaries provided to it by Euroclear.

That request may be made directly by the company or through Euroclear France. It may also be selective rather than all-inclusive -say, only requesting identities of shareholders holding more than 10,000 or 100,000 shares.

When the Registered Intermediary receives that request, he, she or it is required to disclose the identities of the Beneficial Owners of Securities kept, insofar as they are known and he, she or it is permitted to disclose them. The Registered Intermediary has ten working

[148] Articles L.228-2-II para 2 and L.228-3 para 1 of the Commercial Code.

[149] See Part I, Chapter II, Identification of shareholders, § 7 "The identification of Bearer shareholders by the issuing company", § 11 "Company's right to identify Non-Resident shareholders".

days from the date of the request to reply, and must send the reply either to the Account-Keeper Authorized Intermediary, or to the issuing company[150].

In the event that the Registered Intermediary is unaware of the Beneficial Owners' identities, he, she or it may provide a list of clients who are themselves intermediaries. These will often, for instance, be fund managers based abroad operating as agents for ultimate owners. The company then has authority under the new law to pursue its inquiry process directly with them in the same manner.

If you are a Registered Intermediary, ANSA again recommends that as soon as you conclude an agreement with a client who is also an intermediary, you should ask for a list of Beneficial Owners of the Securities who agree to be identified in accordance with the French statutory procedures.

What is the process for queries relating to Registered Securities ?

As regards Registered Securities, information regarding the identities of Beneficial Owners must be provided by the Registered Intermediary to the issuing company or its agent within 10 working days from the request by the company.

When special benefits are provided under the company's by-laws for Registered shares, you are required to forward to it the information allowing verification that those rights do attach to the shares concerned[151]. In practice, this means that you must be able to certify uninterrupted holding of the shares by the same shareholder over a period of two years at least. In the case of shares held in Administered Registered form, you must provide this information to your Account Keeper.

Identification at the time of voting

In addition to the identification procedures mentioned above, the company may ask any Registered Intermediary issuing a vote to provide a list of shareholders for whom he, she or it is voting, and the respective numbers of their shares[152].

If Intermediated Non-Resident shareholders wish to attend the meeting or vote directly, the request for an Admission Card or Paper Standardized Single Form must be sent to the Registered Intermediary, who will forward it to his, her or its Account Keeper, specifying and certifying the identity of the shareholder whose securities are kept and the number thereof.

6. WHAT LIABILITY DOES THE REGISTERED INTERMEDIARY INCUR ?

The Registered Intermediary's liability to his, her or its clients and those clients'

[150] Decree dated March 23, 1967, art. 151-3 (added by Decree dated May 3, 2002).
[151] Article L 228-3 para 2 of the Commercial Code
[152] Article 228-3 para 2 of the Commercial Code.

clients.

The Registered Intermediary could be subject to suit by his, her or its clients if failing to report that he, she or it is acting as a Registered Intermediary and if the clients were to suffer penalties as a result of that failure.

But does the Registered Intermediary incur liability in the event that its own client, if also an intermediary, refuses to disclose the name of the Beneficial Owner ?

It may happen that the Registered Intermediary, for various reasons outside his, her or its control, is not certain that all the names entered in the list forwarded to the querying company are indeed those of the securities' Beneficial Owners. For instance, it is likely that the Registered Intermediary will come up in some cases against a refusal by his, her or its own client to disclose the Beneficial Owner's name, based for instance on a term of the management contract binding that shareholder and the custodian intermediary. In this event, the Intermediary can be considered to have discharged its duty if it has:

- Questioned its clients as to the identity of ultimate beneficial Owners;
- Advised them that the French statutory rules relating to the identification of shareholders are mandatory and binding on all holders of shares in French companies tradable on Regulated Markets, whether such holders are Resident or Non-Resident;
- Informed them that refusal to allow identification could cause them to incur penalties provided for under French law.

Such actions, in our view, would protect the Registered Intermediary from liability. Conversely, failure to take such actions would expose the Registered Intermediary to suit by clients.

In addition, the Registered Intermediary could incur liability for professional misconduct, e.g., for failing to perform clients' instructions.

The Registered Intermediary's liability to the issuing company

Similarly, the Registered Intermediary can in our view be protected from suit by the querying company if his, her or its own clients, acting as intermediaries themselves, refuse to disclose a complete list of their own clients. The Registered Intermediary may naturally provide only such information as he, she or it has, and cannot compel clients to disclose more information than they do. Accordingly, the Registered Intermediary cannot be liable if he, she or it has provided a list of his, her or its clients, even if it fails to include all Beneficial Owners.

It is therefore recommended that the Registered Intermediary, in order to be released from liability to the company, mentions in the reply any uncertainty it may have with respect to the status of parties entered in the list forwarded. This notification would enable the issuer to proceed directly, for its part, with its enquiries regarding the identities of the securities'

Beneficial Owners ("piercing the successive veils")[153].

7. WHAT IS TO BE DONE WITH SHARES HELD BY RESIDENTS IN POOLED ACCOUNTS ?

Only Securities held by Non-Resident shareholders are eligible for the new procedure of entry by a Registered Intermediary on behalf of the Beneficial Owner. This means that in principle, Residents of France may not hold in Intermediated Accounts their securities issued by French companies.

But it may happen that the Registered Intermediary opens a pooled account and reports his, her or its capacity, without being certain that all his, her or its clients holding shares are Non-Residents under French law. The Intermediary may therefore unwittingly retain, for a client, acting as an intermediary, Securities for a person who in fact resides in France.

• In such case, should that Registered Intermediary take particular action to ascertain that only Non-Residents' securities are held in custody ?

The answer is no. The law requires no such particular action. It is sufficient that to the best of the Registered Intermediary's knowledge, on the basis of the ordinary procedures for entry of Securities in accounts with that Intermediary or the latter's intermediary client, the clients on whose behalf he, she or it has registered are Non-Residents. The Registered Intermediary accordingly incurs no penalty for unwittingly retaining Residents' securities in the pooled account.

In order, however, to avoid any disputes with clients (or clients' clients), it would be advisable for the Registered Intermediary to inform them that he, she or it is permitted to perform custody, in that capacity, of Securities of French companies only for Non-Residents.

• The Resident shareholder has not reported himself, herself or itself as such: what should the Registered Intermediary do when he, she or it becomes aware of the client's status as a Resident ?

The Registered Intermediary should remove from the pooled account those Resident investors known to be Residents, and invite them to be registered in individual accounts in their own names either with a Custodian Account Keeper or with the issuing company.

If the Registered Intermediary were provided with express proof of the status as a Resident of one or more such holders of shares, he, she or it would incur liability to his, her or its clients by exposing them to the risk of automatic penalties[154] until the situation is remedied, either by reporting his, her or its capacity erroneously, or by providing inaccurate information in the event of a request for identification by the issuing company if he, she or it failed to make an amending report restricting the pooled account to those shareholders known to the Registered Intermediary as being Non-Residents.

---

[153] Under Article L.228-3-1-I of the Commercial Code.

[154] Provided for under Article L.228-3-3 of the Commercial Code.

In addition, Resident shareholders refusing to be identified run the risk, in the event of a dispute, of having their shares deprived of a vote, or even of a dividend; the distinction made by statute between Residents and Non-Residents is an incentive for Residents holding in concealment, through foreign channels, shares which they do not wish to be known to hold, to sell their shares in French companies.

As he, she or it may not keep Residents' shares in a Registered Intermediary's pooled account, the global custodian may open a particular account in the name of the Resident investor; he, she or it will then be an agent for that client to act as custodian of the securities and as such, may act in the account's administration in accordance with the principal's instructions.

As the special legal treatment of Registered Intermediaries does not apply:

- the account's description should highlight the Resident owner's identification, specifying that the custodian is acting as a custodian agent subject to generally-applicable rules;
- the custodian agent may not forward the Resident owner's vote, or vote according to the latter's instructions, unless the agent is himself, herself or itself a shareholder (one share is enough) of the company concerned155.

• The shareholder discloses that he, she or it is a Resident: what is the Registered Intermediary to do ?

Here again, application of the law implies the opening of an individual account in the shareholder's name. The contents of the foregoing paragraph apply: the global custodian as agent performs all the administration of the account and may vote on the client's behalf only if a shareholder of the company concerned.

If, after the event, the Resident shareholder is revealed as such, the latter's vote will not be taken into account, even within the vote cast collectively by the Registered Intermediary, and his, her or its name will be removed from the pooled account.

• What will happen if the Resident shareholder remains or is maintained, knowingly, by the Registered Intermediary in the collective account ? [156]

The law provides for automatic penalties only if the issuing company takes the initiative of a query regarding the identities of Securities' Beneficial Owners, and if the reply to the request for identification is late, incomplete, or inaccurate. Accordingly, even if the identification reveals a Resident shareholder, no penalty is incurred.

On the other hand, deliberate disregard of the provisions relating to registration in accounts and identification of Non-Residents may be punished by a court, at the request of the company or one or more shareholders holding 5% or more of the stock.

---

[155] Article L.225-106 of the Commercial Code: « any shareholder may be represented by another shareholder or by his or her spouse".

[156] See part 1, Chapter II, the identification of shareholders, § 12 "Some information relating to penalties".

8. PENALTIES FOR BREACH OF THE DISCLOSURE RULES[157]

Penalties apply to shares for which the party registered as the owner is in default. In this case, the registered party in default is the one failing to provide the information requested by an issuing company, or one that provides incomplete or erroneous information relating either to that party's status or to the Securities' Beneficial Owners. As regards information provided with respect to the Securities' Beneficial Owners, the registered party will incur liability for errors made for its own account. But that liability will be limited to cases, for instance, where the Registered Intermediary comes up against a refusal by his, her or its own client to identify their clients, as mentioned above. In principle, a sale of the securities concerned will cause the penalty to lapse[158], unless there is fraud, such as for instance a sale followed by immediate repurchase by the same party.

• If the intermediary has failed to report his, her or its status as a Registered Intermediary

The penalties provided for by law would apply to all the shares held in the Intermediary's Securities Accounts: forfeiture of votes at any meeting of shareholders held until the situation is remedied, and payment of dividend held in abeyance[159].

If that concealment is intentional, a Court, acting upon request of the company or holders of at least 5 % of the equity capital, may order a complete or partial forfeiture of the vote for five years, and possibly, forfeiture of the dividend for the same period.[160]

• If the Registered Intermediary fails to reply to requests for identification or provides a seriously defective answer: the same penalties, in principle, are applicable.

• If the Registered Intermediary provides an accurate reply but not covering all the number of shares entered in the account

This is likely to be the most frequent, having regard to the frequently long chains of intermediaries and to the mobility of stock. Naturally, those shares for which the Beneficial Owner has not been identified in response to a company query may not be voted. But this penalty will not affect all the shares held in the account. Only the unidentified shares will be deprived of their voting rights or dividends.

---

[157] See Part I, Chapter II, Identification of shareholders, § 11 "Company's right to identify Intermediated Non-Resident shareholders".

[158] In any event, on the basis of the experience of penalties applicable for failure to report the crossing of significant thresholds of interest, it is likely that actual application of those penalties will be extremely rare and limited to cases of demonstrated fraud.

[159] Article 228-3-3 para 1 of the Commercial Code.

[160] Article 228-3-3 para 2 of the Commercial Code.

9. EXERCISE OF THE VOTE BY THE SHAREHOLDER

The law[161] allows the Owner of Rights Attaching to the Share either to vote in person (the Form is then forwarded by the Registered Intermediary for the latter to attest his, her or its right to vote and number of shares), or to issue voting guidelines to the Registered Intermediary, who then signs the Form personally (casting of a Vote by Mail or grant of a Proxy)[162].

The same applies to the application for an Admission Card for the meeting of shareholders, which may be made to the Account Keeper either by the Securities' Beneficial Owner or by the latter's Registered Intermediary.

(i) As the Registered Intermediary stands between the company or Custodian Account-Keeper financial institution and the Beneficial Owners, the Intermediary is required to forward to the latter the documents prior to the meeting of shareholders and in particular the Paper Standardized Single Forms if they wish to vote directly.

ANSA recommends that agreements made between Registered Intermediaries and their clients specify the services to be performed -in particular, which party or parties should have responsibility for carrying out voting decision-making and how ballots are to be cast.

(ii) A Non-Resident shareholder using an Intermediary may wish to exercise the vote directly.

In such case, the shareholder should so inform the Registered Intermediary in advance, in order to enable the latter to prepare.

- If the shareholder wishes to attend the meeting, he, she or it or the shareholder's agent must request from the Registered Intermediary an application for an Admission Card. That application may be made without specific formalities by the means agreed between them, and sent more than 5 calendar days before the date of the meeting by the Beneficial Owner of the shares to the Registered Intermediary.

The Registered Intermediary then requests the Account Keeper[163] to secure an Admission Card in the shareholder's name, specifying the number of shares concerned, if the account in which they are held is a pooled account.

The Account Keeper causes the issuing company to issue the Admission Card, and to send it to the shareholder at the address notified by the Registered Intermediary. Even if the card does not reach the addressee in time, the shareholder's name will be entered in the official Attendance Sheet and he or she may nevertheless attend and vote at the meeting.

---

[161] Article L.228-3-2 of the Commercial Code and Article 151-6 of the Decree dated March 23, 1967.

[162] Opinion from the ANSA's *Comité juridique* of November 6, 2002.

[163] If the shares are Registered, the request is sent to the issuing company; if the shares are in Bearer form, the request is sent to the custodian Account-Keeper financial institution.

- If the shareholder wishes to Vote on paper by Mail or grant a Proxy to another shareholder or the chairman of the meeting, he, she or it or the shareholder's agent must ask the Registered Intermediary for a Paper Standardized Single Form. The Registered Intermediary causes the form to be issued by the Account Keeper in the shareholder's name, and sent to the latter[164]. The shareholder must return the Standardized Single Form to the Account Keeper five calendar days before the meeting in order for the vote to count[165].

- If Internet voting is allowed, the Notice of Meeting and Notice of Call specify the procedure to be applied. In any event, the Registered Intermediary will be required to follow a procedure certifying your status as a shareholder, and the number of shares you own, to the Custodian Account Keeper and/or to the issuing company.

10. EXERCISE OF THE VOTE BY THE REGISTERED INTERMEDIARY

What conditions are required for the Registered Intermediary to be able to vote on behalf of the Beneficial Owners ?

There are only one condition a Registered Intermediary must meet in order to be eligible to cast votes on behalf of Beneficial Owners of shares: it must file a claim to status as a Registered Intermediary.

If, and only if, the issuing company has properly asked a Registered Intermediary before a shareholder meeting to identify the Intermediated Non Residents owners, it will need to have provided the information requested and replied within the periods allowed. He, she or it will have to transmit the shareholders' lists ,when voting on their behalf, together with their respective numbers of shares[166].

Registered Intermediaries must forward as many Forms as there are type of instructions given by Intermediated shareholders. In this case, they send as many lists as forms.

In the event of breach of these disclosure rules, the vote issued by the Registered Intermediary cannot be taken into account.

How does the vote by the Registered Intermediary operate ?

A vote or Proxy from the Beneficial Owner for each meeting of shareholders may be forwarded through the Registered Intermediary over the latter's signature only, subject only to

---

[164] The Registered Intermediary may send Standardized Single Forms to shareholders himself, herself or itself, if he, she or it has at his, her or its disposal enough of these documents received from the Account Keeper in France.

[165] Standardized Single Forms cannot be sent by fax for technical reasons (optical processing). However, many Centralizing Entities may take into account the forms sent by fax within the deadline, under the condition that the original is received later.

[166] See Chapter IV, the issuing company, § 9 "Company's request for lists identifying shareholders voting through Intermediaries".

the requirement of that Registered Intermediary's having reported his, her or its status[167]. That vote will be issued pursuant to a general securities-management contract

A "general securities-management contract" (Article L.228-3-2 of the Commercial Code) whereby the Registered Intermediary may lawfully forward the votes of his, her or its Beneficial Owner clients, may be very broad and not limited to voting. As regards voting, US intermediaries very commonly receive guidelines per type of Resolution from their investor clients. For issuing companies subject to French law, such instructions may apply to a single meeting of shareholders[168] but may naturally be renewed every year.

You should retain such contracts and Proxies for three years after the meeting, in order to provide evidence in the event of disputes as to validity of the meeting and ballot.

The voting or Proxy Form, which may reflect an individual account or aggregated accounts, and which may be forwarded by electronic means shall be signed by the Registered Intermediary itself.

An Omnibus voting Form may be issued by the Registered Intermediary for all shareholders issuing ballot instructions rather than voting directly. At present, paper Forms and optical processing do not allow the specification of different votes on one Standardized Single Form. Therefore, the Registered Intermediary must draw up as many Forms as necessary to produce consistent votes. On the other hand, the Internet will allow genuine Omnibus voting once technical adjustments have been agreed.

The Omnibus voting Form must then clearly specify the number of shares taking part in the vote, and for each Resolution, the number of shares voting "for", "against" or "abstaining"[169]. If the Registered Intermediary casts an Omnibus Electronic Single Form over the Internet, the company has no mean to know how Intermediated shareholders voted; the Registered Intermediary is solely responsible for voting as instructed.

The issuing company may require any Registered Intermediary willing to vote over his, her or its own signature to provide a list of Intermediated Non-Resident shareholders on behalf of whom that vote was cast, and the number of votes of each.[170]. A list is provided with each Form.

Forms may allow, if required, authorized viewers to verify how each shareholder voted, since usually these forms are filled out according to type of instructions.

---

[167] Article L.228-3-2 Commercial Code; Article 151-6, Decree dated March 23, 1967.
[168] "... forward for one meeting of shareholders..."; Article L.228-3-2, para. 1.
[169] Abstaining is equivalent to a vote against.
[170] See Part I, Chapter II, Identification of shareholders, § 11 "Company's right to identify Intermediated Non-Resident shareholders".

• Is an issuing company bound to refuse a voting Form submitted by an unreported Intermediary [171]***?***

Once the Registered Intermediary has claimed the status of a Registered Intermediary, it is obligated to respond to proper queries by an issuer to identify clients. If he, she or it fails to provide the information requested as provided for by statute and regulation, the company will automatically reject votes issued by that Registered Intermediary associated with those shares for which the Beneficial Owners have not been identified[172]. In addition, subsequently, the company will deprive the shares concerned of votes for following meetings of shareholders, and will withhold the dividend, until the situation is remedied[173]. But only the shares for which the Beneficial Owner is not identified following the company's inquiry are not counted in the vote.

• May the Registered Intermediary appoint Proxy agents to draw up Voting Forms in accordance with the instructions of shareholders whose shares they hold in custody ?

The French law allows shareholders to grant Proxies only to other shareholders[174].

But the law created special treatment for Registered Intermediaries: they are not shareholders; for instance, provisions of the by-laws restricting the numbers of votes do not apply to them. Their status is an exception: the rules relating to the representation of shareholders in general are not applicable to them[175].

A Registered Intermediary may therefore be represented by a person of his, her or its choice, without being bound to be represented by a legal representative or an agent authorized for such purpose; a proxy agent, a service provider appointed to perform voting instructions from various clients, may therefore validly be granted a delegation of authority by the Registered Intermediary to forward the votes transmitted or cast by the latter.

11. TRANSACTIONS SUBSEQUENT TO VOTING

• Correction of number of shares and votes in the event of sale of shares

The period for verification of the shareholders' identities and the number of their votes no longer prevents sale of all or part of the shares176.

If that sale occurs after issuance of the Paper Standardized or Electronic Single Form, or issuance of the Admission Card and before D-1 (D being the day of the meeting) by 3:00 pm (Paris time), the Registered Intermediary must then provide the information allowing a

---

[171] See also Chapter IV, the issuing company, § 5 "Identification of Intermediated shareholders before the meeting and validity of their vote".
[172] Article L 228-3-2 para 3 of the Commercial Code.
[173] Article L 228-3-3 para 1 of the Commercial Code.
[174] Article L.225-106 of the Commercial Code.
[175] ANSA's *Comité juridique* of November 6, 2002.
[176] Article 136 of the Decree dated March 23, 1967 as amended by the Decree dated May 3, 2002 (art. 38).

correction of the number of votes remaining available to the voter or recipient of the Admission Card. That information must be sent promptly to your Account Keeper, which will send it into the vote-collection channel. If you hold Registered shares, the numbers of shares and votes taken into account are those entered in the records of the company by D-1, 3:00 pm (Paris time).

• Notice of receipt of the vote

In the paper-voting procedure, no notice of receipt of voting forms is issued, as the Attendance Sheet lists the votes taken into account.

In the Internet-voting procedure, a notice of receipt, confirming that the vote has been taken into account, will be sent to whichever party filed the Electronic Single Form. If you have voted on behalf of several shareholders on the same Form, you will receive a notice of receipt for that collective vote. If your clients ask you for confirmation of their individual votes, you will need to supply your own form of verification.

12. TRANSMISSION AND CONSERVATION OF SHAREHOLDERS' ORDERS

Communications between the Registered Intermediary and the latter's clients or the Beneficial Owners shall be carried out by the means agreed between them. Swift will be used for financial institutions having access to it.

As meetings of shareholders may be challenged before the Courts for three years, all Intermediaries should retain their hard-copy or electronic documents for that period. These may include agreements, information provided, voting instructions, etc.

III. THE CUSTODIAN ACCOUNT-KEEPER FINANCIAL INSTITUTION

If you are an "Authorized Intermediary", the following section concerns you.

1. WHEN OPENING A SECURITIES ACCOUNT

You must ask the individual or legal entity opening the Securities Account whether he, she or it intends to act personally or to hold securities belonging in fact to Non-Resident third parties. In the latter case, the person must be identified as a Registered Intermediary from the time of opening of the account[177] for Securities held either in Bearer or in Administered Registered form. You are advised to provide him, her or it with a notice providing information on the related rights and duties[178].

Registered Intermediaries must be identified as such in all the book entries concerning them.

For Securities Accounts opened by Intermediaries prior to publication of the Decree dated May 3, 2002, such Intermediaries were allowed three months from May 5, 2002 (date of the publication in the Official Journal) to report themselves. If not reported within this period, the situation may be remedied at any time.

As regards the opening of an Administered Registered Securities Account by a Registered Intermediary, you should inform the issuing company.

2. THE ACCOUNT KEEPER MAY NOT BE A REGISTERED INTERMEDIARY.

The business of a Custodian Account Keeper is a regulated profession[179].

Accordingly, there are in France two kinds of Account Keeper:

- issuing companies as regards Registered shares, when they issue Securities to the public;
- financial institutions authorized by the Conseil des Marchés Financiers.

On the other hand, any individual or legal entity, regardless of nationality and profession, may perform the duties of a Registered Intermediary[180].

In addition, interpretation of the legislation concerned[181] allows a clear statement that

---

[177] This identification is performed at the time of the signature of the account-opening agreement.

[178] The previous chapter Intermediaries Registered in accounts may be useful.

[179] By Chapter VI of the Rules of the Conseil des Marchés Financiers and the Monetary and Financial Code.

[180] See in this part, chapter II, Intermediaries Registered in Accounts, § 1 "Who may be a Registered Intermediary ?".

[181] Article L.228-1 of the Commercial Code: "The registered intermediary shall be bound , when opening his,

the issuing company, the Account Keeper for Registered shares, may not also be a Registered Intermediary between itself and its shareholders. The same applies to Authorized Intermediaries, which may not report themselves as Registered Intermediaries.

As a result, the duties of a Custodian Account Keeper and of a Registered Intermediary may clearly not be performed within the same legal entity under French law.

An illustration of this incompatibility: if a Registered Intermediary is aware of holding shares in the name of a Resident shareholder in a pooled account, the Registered Intermediary is required to open an individual account in the Resident shareholder's name either with a Custodian Account Keeper or with the issuing company. In such case, the Registered Intermediary no longer acts as such but as agent for the Resident shareholder in relation to the Account Keeper.[182]

3. A REGISTERED INTERMEDIARY'S SECURITIES ACCOUNT MAY CONTAIN BOTH REGISTERED AND BEARER SECURITIES.

If the Registered Intermediary intends to have securities entered on an Administered Registered basis, you must forward to the issuing company the information that the securities concerned are held by a Registered Intermediary[183]. They must now be monitored like all Registered Securities.

4. THE PROCEDURE FOR IDENTIFICATION OF BEARER SECURITIES

If you are queried by Euroclear France pursuant to a so-called TPI (Titres au Porteur Identifiable/ Identifiable Bearer Securities) procedure, you must inform Euroclear France of any person, persons or institutions identifying themselves as Registered Intermediaries[184].

When the company queries a Registered Intermediary, directly or through Euroclear France, requesting a list of shareholders, the Registered Intermediary will send his, her or its reply to you, to be forwarded by you to the issuing company.

5. ISSUANCE OF BOOK-ENTRY ATTESTATIONS

In order to exercise certain rights, Non-Resident shareholders using intermediaries may request, like shareholders having opened accounts in their own names, Book-Entry Attestations.

The request should be forwarded to you by the Registered Intermediary, who will

---

her or its account with either the issuing company or the account-keeper financial institution, to report, in the manner set by a decree, his, her or its capacity as an intermediary holding securities on behalf of another party"

[182] See in this part, chapter II, Intermediaries Registered in Accounts, § 7, what is to be done with the shares held by Residents in pooled accounts ?

[183] That item of information is forwarded like the others in the Statement of Registered References (Bordereau de Références Nominatives) and must be sent immediatly to the issuing company (art. 151-2 of the Decree dated March 23, 1967 as amended by the Decree dated May 3, 2002.

[184] The information to be reported and the form to be used are to be defined by Euroclear France.

certify the name of the Beneficial Owner, the number of Securities and the address where you are to send the attestation specifying that the securities are kept by the Registered Intermediary whose identity shall also be entered in the Attestation.

Your responsibility is limited to verification that the number of shares so attested does not exceed the total number of shares registered in the Registered Intermediary's account.

6. ACERTAINMENT OF THE UNINTERRUPTED HOLDING OF SHARES AS A CONDITION OF ELIGIBILITY FOR THE BENEFITS GRANTED BY CERTAIN COMPANIES

The Registered Intermediary is in charge of certifying uninterrupted holding by Intermediated Non-Resident shareholders of the shares in Registered form during the period specified by the by-laws for eligibility for the benefits granted by certain companies (double votes and extra dividend)[185].

As regards Administered Non-Resident Securities, the Registered Intermediary may provide that information so that you can yourself forward it to the company concerned.

7. THE PRE-MEETING VERIFICATION PERIOD (FORMERLY THE BLOCKING OR "FREEZE" PERIOD)

When the issuing company requires a period before the meeting to verify eligibility of shareholders to vote, and the number of votes they own, you should refuse Paper Standardized Single Forms or applications for Admission Cards received after the deadline set by the by-laws[186].

However, shareholders shall no longer be prohibited from selling their shares during this period[187]. In the event of a sale, you should adjust the number of votes corresponding to the single Voting Form sent by them (or the Admission Card requested) upon instructions from your client, the custodian Registered Intermediary. From the moment the share sale is carried out, it will be up to you to correct the number of shares with the Centralizing Entity, for Bearer Securities, or with the issuing company for Registered Securities.

Deadlines for receiving paper Forms are not modified in the new law. But if a company's by-laws enable Internet voting, Electronic Single Forms may be received until 3:00 p.m. (Paris time) on the day before the date when the meeting of shareholders convenes. Procedures for transmitting those Forms are not yet agreed, but will be communicated to you by the issuing company or Centralizing Entity.

If the vote is cast directly by a Non-Resident shareholder using an Intermediary, it shall pass through the Registered Intermediary, who shall verify the shareholder's status as

---

[185] Article L.228-3 of the Commercial Code, see Part II, Chapter II Intermediaries Registered in Accounts, § 5, "The procedure for identification of the Holders of Rights Attaching to Shares by the issuing company", "The process for queries regarding Registered Securities".

[186] The law does not impose this verification period and provides that it may not exceed five calendar days; this periode is determined in the by-laws.

[187] See also Part II, Chapter I, Non-Resident investors using intermediaries, § 8 "From blocking to verification".

such and number of shares.

The vote may also be issued by the Registered Intermediary for one or more Intermediated Non-Resident shareholders on one or several Standardized Single Forms. Omnibus voting should be possible once specifications for Internet voting are agreed.

8. SALE OF SHARES AFTER THE SHAREHOLDER HAS APPLIED FOR AN ADMISSION CARD OR SENT A STANDARDIZED SINGLE FORM

That sale is always possible, even if the company's by-laws provide for a verification (formerly blocking or "freeze" period). But the number of shares and votes must be adjusted.

As soon as the Account Keeper receives the order for sale, no later than 3:00 pm on D 1, it informs either the Centralizing Entity or the company (for Registered shares) of the modification of number of shares voting to adjust either the Admission Card or the Paper Single Form.

Sale of shares may be executed after 3:00 pm on D-1, but, in this case, no adjustment is required.

9. WHAT TO DO WITH FORMS NOT RECEIVED WITHIN THE DEADLINE?[188]

In order to be taken into account for the vote, Forms must be received by Account Keepers no later than five calendar days before the meeting. What is to be done with the Forms received after this deadline?

ANSA advises to draw up a list indicating the shareholder's identity and the number of shares concerned. This list is attached to the Attendance Sheet by the Centralizing Entity and thus is at the disposal of shareholders either at the Centralizing Entity's or company's head office.

Time-stamps are issued on late Forms. In addition, when Forms are rejected because they are late, this must be notified to the issuer of the Form.

Account Keepers can either keep the "time-stamped" Forms and transmit only the list to the Centralizing Entity or transmit both the Forms and the list. Account Keepers also put the list at their clients' disposal.

Paper Single Forms cannot be sent by fax for technical reasons (optical processing). However, many Centralizing Entities may take into account the Forms sent by fax, under the condition the original is received later.

---

[188] See also, Part II, Chapter IV, the issuing company, § 14 "Rejected Forms or votes".

10. CONSERVATION OF DOCUMENTS

As meetings of shareholders may be challenged before the courts for three years, Custodian Account Keepers should retain the documents (hard-copy or electronic) received or send in relation with the meeting for that period[189].

[189] See Part I, Chapter I, meetings of shareholders in France, § 8 "Challenges of validity of the meeting and of the ballot's lawfulness".

IV. THE ISSUING COMPANY

This section concerns French companies issuing Stock Securities listed on a regulated market in France and/or solely on a European regulated market190. The Act dated May 15, 2001 has amended company law in several respects. The amendments of concern to you relate to:

- keeping Registered accounts and relations with Intermediated Non-Residents holding Registered Securities;
- identification of Bearer shareholders;
- exercise of their rights by Intermediated Non-Resident Bearer shareholders;
- use of the Internet for relations with shareholders; and
- use of the Internet for voting.

In addition, this section contains various recommendations relating to the provision of information to Non-Residents.

1. TEN RECOMMENDATIONS RELATING TO THE PROVISION OF INFORMATION TO NON-RESIDENTS

Non-Residents complain of being poorly informed by French listed companies. While this grievance is not justified at many companies, it is for some, and in particular for newly-listed companies with smaller capitalizations.

ANSA recommends the following action:

1. Principal information documents should be available at least in English (annual report, shelf documents, "document de référence", periodic accounts).

2. Documents relating to the meeting of shareholders should be available at least in English, to wit, Notices of Meeting and of Call, containing the text of Resolutions and their summary, together with the Paper Standardized Single Form (a bilingual standard version of which is available; see appendix).

3. The company's financial schedule should be easily available on the websites of the company and, if possible, of Euronext. If the company considers that its meeting of shareholders is unlikely to convene upon a first call, it should make clear that only the date of the second call should be taken into account.

4. Foreign investors are often puzzled by the succession of the Notice of Meeting and the Notice of Call, especially as they are usually identical. It is desirable to mention at the top of the Notice of Call whether or not it contains differences from the Notice of Meeting (amendment of the agenda and/or text of resolutions), and if so to specify them.

---

[190] ANSA's *Comité juridique* of December 4, 2002: the new provisions apply to companies having their head offices on French territory and listed on a regulated market in the European Union.

5. If your by-laws allow Internet voting, you should so specify in the Notices of Meeting and of Call, providing all the information required for shareholders to exercise it.

6. If you intend to ask the Registered Intermediaries to provide the list of shareholders for whom they vote, specify it in the Notice of Meeting and in the Notice of Call.

7. Publication of the outcome of the meeting of shareholders. Investors sometimes complain of not being aware of the decisions made by the meeting. It is desirable for the company to publish details of the ballot, Resolution by Resolution, on its website as soon as possible after adjournment of the meeting.

8. The Intermediated Shareholders Lists sent with the form by the Registered Intermediary and the list of rejected Forms or votes should be attached to the Attendance Sheet.

9. The shareholders find it difficult to ascertain the thresholds, crossing of which is to be reported under the by-laws; you are advised to make them easily accessible, either on your website or in your annual report.

10. If your by-laws provide for special rights (double votes and extra dividend) for uninterrupted holding of shares in Registered form for two years at least, you may advise Intermediated Non-Residents to be entered directly in your records (systematic disclosure), making the management of those special rights simpler.

2. THE KEEPING OF REGISTERED ACCOUNTS AND RELATIONS WITH INTERMEDIATED NON-RESIDENTS HOLDING REGISTERED SECURITIES

(i) By way of derogation from the rule that a Registered account is to be opened by the owner of shares in his, her or its own name, the Act dated May 15, 2001 allows an exception in favor of Non-Residents, who usually have their securities held in Intermediated Accounts, frequently pooled, and opened in his, her or its own name by a custodian described by the law as the Registered Intermediary.

Therefore, you may not object to the opening of a Registered account by a party disclosing his, her or its capacity as a Registered Intermediary on behalf of others.

When you are requested to open a Pure Registered account, you must, like any Keeper of Securities Accounts[191], query the party applying for the registration as to the latter's possible capacity as a Registered Intermediary; in such case, you should provide him, her or it with information as to the role that this party will be called upon to play as such.

As regards Pure Registered Securities Accounts, you are an Authorized Account

[191] see in this Part, Chapter III, The Account Keeper Financial Institution.

Keeper[192], it goes without saying that you cannot concurrently be the Registered Intermediary between yourself and your shareholders[193].

As regards Administered Registered accounts, the Statement of Registered References (Bordereau de Références Nominatives/BRN) will inform you whether the account holder is a Registered Intermediary or not.

(ii) **The Registered Intermediary shall provide you on request with lists of names and addresses of Beneficial Owners of the shares held in the account**. When the by-laws provide that special benefits such as an extra dividend or a double vote attach to the holding of shares in Registered form for a certain period, you must create a sub-account in the name of each Intermediated Non-Resident shareholder in order to provide each with the relevant rights after the period of holding required under the by-laws.

The benefit of special rights under the by-laws (double vote, extra dividend) is expressly made contingent upon provision of the necessary information by the Registered Intermediary194.

(iii) Transactions (sales and acquisitions) relating to the account must be notified to you by the Registered Intermediary if the account is in Pure Registered form; by the financial institution by means of a BRN if the account is Administered Registered.

In either case, and if the notification or BRN does not specify it, you may ask the Registered Intermediary who the shareholders concerned are.

(iv) You may communicate directly with Intermediated Non-Residents identified by the Registered Intermediary.

(v) **In order to exercise his, her or its rights as a shareholder, the Registered Intermediated Non-Resident shareholder is not required to provide any specific documentation if identified as such in a sub-account specifying the number of shares held**. If that party does not have a sub-account, he, she or it must provide an attestation from the Registered Intermediary identifying him, her or it as a Registered shareholder, and specifying his, her or its address and the number of shares held.

---

[192] As defined by the General Rules of the Conseil des Marchés Financiers, Chapter VI.

[193] See the explanations in this respect in Part 2, Chapter II, Intermediaries Registered in Accounts, § 1, "Who may be a Registered Intermediary ?".

[194] Article L.228-3 para 2 of the Commercial Code. See Part II, Chapter II, Intermediaries Registered in Accounts, § 5,"The process for queries regarding Registered Securities".

3. WHAT IS TO BE DONE WHEN A NON-RESIDENT TAKES UP RESIDENCE IN FRANCE ?

As Account Keeper for the Securities held in Pure Registered form, and as soon as you become aware of a Non-Resident's change of status to Resident, you should enter him, her or it in an individual account in that party's name directly in your records.

That shareholder having become a Resident may no longer vote through the Registered Intermediary. The shareholder's global custodian, formerly a Registered Intermediary, becomes the agent for that shareholder having become a Resident, according to generally-applicable agency rules[195].

It is clear, however, that you cannot apply penalties to such shares if, through your own action, they have not been transferred to an individual account opened in the owner's name.

4. IDENTIFICATION OF BEARER SHAREHOLDERS AT ANY TIME[196]

(i) If your by-laws enable you to identify the Bearers (TPI), you will now see on the lists provided by Euroclear France holders of shares identified as Registered Intermediaries, i.e., holding shares in accounts opened in their own names on behalf of Non-Resident third parties.

The new law allows you to query the Registered Intermediaries (all or a subset for instance, the largest accounts only) to obtain of them a list of beneficial owners. You may do so directly or through Euroclear France. It is understood that you are not bound to perform this inquiry.

If the list provided by the Registered Intermediary itself includes parties who are intermediaries, you may proceed with your enquiries from one step to the next up to the Beneficial Owners.

Likewise, if it appears to you that certain parties registered in accounts are in fact intermediaries having failed to report themselves as such, you may query them[197].

In order to obtain disclosure of the information requested by the various intermediaries, a form of leverage is available to you, since the votes and the dividends attaching to unidentified shares are held in abeyance until the situation is remedied.

Having regard to the bulk of the intermediation chains (each intermediary queried is allowed 10 days to reply), to the resulting cost and to the mobility of stock, it is clear that

---

[195] On this point, see Part II, Chapter I, Intermediated Non-Resident Shareholders, § 12 "What to do if you take up residence in France", and Chapter II, Intermediaries Registered in Accounts, § 7 "What is to be done with the shares held by Residents in pooled accounts?".

[196] See Part I, Chapter II, Identification of shareholders, § 11 "Company's right to identify Intermediated Non-Residents shareholders".

[197] Article L.228-3-1 of the Commercial Code.

identification will never be complete. This should be accepted, without seeking to have the unavoidable inadequacy of replies punished.

This is why it is recommended, except in a crisis situation (eg, hostile take-over bid) to have only the holders of sufficiently significant interests identified.

On the other hand, if the reply from the Registered Intermediary is seriously and knowingly defective, the law provides for penalties. You may apply to the courts for a forfeiture of votes for the shares concerned and also for a forfeiture of dividends.

It should be noted that penalties will be applied in cases of fraud or seriously defective responses.

(ii) Penalties affect shares for which the party registered as the owner is in default, failing to provide the information requested or providing unreliable information.

When and why should a company apply penalties? Three cases should be considered:

- *First case*: The reply is late, the period of 10 calendar days allowed to respond is over. The company will automatically apply the suspension of votes and dividends until the answer is transmitted to the company.
- *Second case:* The reply is given within the period allowed, but it does not cover all the shares entered in the account or all the shares voted. Unidentified shares are temporarily deprived of their voting or dividend rights until remedy by application of the law.
- *Third case:* The response supplied is deemed, partly or entirely, as erroneous by the company. Shares, ownership of which is challenged are deprived of their voting or dividend rights. However, the company must notify the relevant Registered Intermediary or the party appearing as the beneficial owner in order to allow them to remedy the situation or to challenge the company's decision to apply penalties before a court[198].

Additional information relating to suspension of the payment of dividends: as the issuing company takes the initiative of the penalty, it will itself withhold the dividend in a frozen account, after notifying it to the Registered Intermediary or apparent shareholder.

[198] See, Part I, Chapter II, Identification of shareholders, § 8 "company's right to identify Intermediated Non-Resident shareholders".

5. IDENTIFICATION OF INTERMEDIATED SHAREHOLDERS BEFORE THE MEETING AND VALIDITY OF THEIR VOTES[199]

As already mentioned, the validity of the vote cast by a Registered Intermediary is subject to the identification of Intermediated shareholders, if so requested by the company before the meeting. ANSA recommends information in the Notice of Meeting and in the Notice of Call, that the company will require identification for the vote.

It should be specified that a company may request identification of its shareholders before a meeting of shareholders, even if its by-laws do not contain a TPI clause.

Four cases can be described:

• a Registered Intermediary, having reported it acts as such, send Forms to the company, those forms being accompanied by the corresponding lists of shareholders and their respective number of shares; the company cannot reject any Form, since all elements for identification are provided.

It must be noted that the Registered Intermediary must send as many lists as voting forms.

• a Registered Intermediary, duly known as such, attaches to the voting forms lists which do not indicate a number of shares corresponding to the votes cast. Unidentified shares are automatically deprived of voting rights (for example: votes are cast for 1 000 shares, only the owners of 950 are identified; 50 shares will not be taken into account in the ballot)[200].

• the lists sent by the Registered Intermediary, duly known as such, give the identities of shareholders for the right number of shares, but mention some shareholders' names that are clearly not those of Beneficial Owners. The company may deprive of their voting rights the shares probably owned by additional intermediaries, but, in this case, the company notifies it to the Registered Intermediary. The company attaches to the Attendance Sheet the list of identified shareholders and indicates also which are the shares deprived of their voting rights in a list appended to the Attendance Sheet[201].

• the intermediary failed to report its status as Registered Intermediary, ie, it is not identified as a Registered Intermediary; in this case, all the shares held in this intermediary's account are affected by penalties. If the company considers this intermediary acts as a Registered Intermediary, it will notify it to the "unreported" intermediary, in order to allow it to challenge company's decision to apply penalties. The company mentions intermediary's

---

[199] See Part I, Chapter II, Identification of shareholders, § 11 "Company's rights to identify Intermediated Non-Residents shareholders" and above, Chapter II, Intermediaries Registered in accounts, § 8 "Penalties for breach of disclosure rules".

[200] See Part II, Chapter II, Intermediaries Registered in accounts, § 6 "What liability does the Registered Intermediary incur?".

[201] See below in this chapter, § 14 "Rejected Forms or votes".

shares in the list of rejected votes attached to the Attendance Sheet.

In any case, it is recommended the company joints to the Attendance Sheet, the list of the shares deprived of their voting rights, mentioning the reason of the application of the sanction.

6. THE COMPANY IS NOT BOUND TO IDENTIFY ITS SHAREHOLDERS.

In general, the company is not bound to identify its shareholders.

As regards Identifiable Bearer Securities, there is no requirement for a company to include in its by-laws an option to identify. Even if it has adopted the clause in its by-laws, is it bound to implement the identification procedure ? No. It is fully accepted that it is up to the general management or Board of Directors to determine whether it is desirable to do so or not. The same applies to the identification procedure for Intermediated Non-Residents and there is nothing to prevent the procedure from being implemented only for interests of a certain size, for instance, identification only of holders of more than 10,000 shares.

There are exceptions, however. One of them is the benefit and exercise of special rights attaching to Registered shares; the legislation is unambiguous[202], the company is bound to ask the Registered Intermediary for the information needed to be able to ascertain that the requirements for exercise of such rights have been satisfied. In fact, the company's failure to do so could be a breach of the principle of equal treatment among shareholders.

Another exception could be based on a request, by the shareholders themselves, for the company to exercise its right to query. It may be expected that shareholders could require the Board of Directors or general management to demand, for instance, the identification of votes cast by Registered Intermediaries. Though the law does not specify it, such a request could be considered as being proper by a court if the request was made by one or more shareholders having 5% of the stock or more[203] and if the request did not seem extravagant having regard to the cost of the procedure's implementation and the desirability of the result sought. For instance, a request for comprehensive identification of all the shares is pointless having regard to the volume of daily dealing and to the fact that the cost of identification of very small shareholders bears no relation to the value of their interests, which are not likely to affect the outcome of the ballot.

7. EXERCISE OF RIGHTS OTHER THAN VOTES BY INTERMEDIATED NON-RESIDENT BEARER SHAREHOLDERS

In general, in order to exercise the rights listed above[204], shareholders must provide

---

[202] Article L.228-3, para. 2, of the Commercial Code.

[203] This is the requirement for application to a court for a penalty, Article L.228-3-2, para. 2, of the Commercial Code.

[204] See Part I, Chapter I, Meetings of shareholders in France, § 2 "Shareholders' rights relating to the preparation and proceedings of meetings".

Book-Entry Attestations issued by the financial institutions acting as their Account Keeper. As Intermediated Non-Residents do not have accounts opened in their own names in France, their requests for attestations shall be sent to their Registered Intermediaries, who will cause the Account Keeper to issue them.

Those attestations will specify the identities of both the Registered Intermediary and the shareholder.

The shareholder may exercise the right directly or entrust it to the Registered Intermediary. For instance, the latter may inspect the shareholder list or Attendance Sheets for the past three meetings of shareholders in the shareholder's stead.

8. EXERCISE OF THE VOTE BY INTERMEDIATED NON-RESIDENTS

(i) Each Intermediated Non-Resident may vote directly.

The request for an Admission Card or Paper Standardized Single Form is to be made with the Registered Intermediary who will forward it to you directly (Registered shareholders) or indirectly through his, her or its Account Keeper (Bearer shareholders). The Registered Intermediary will verify status as a shareholder and the number of shares and votes.

For Intermediated Non-Residents holding shares in Registered form, you can establish direct relations as soon as you are informed of their identities and numbers of shares.

(ii) Voting through the Registered Intermediary

The Registered Intermediary may vote on behalf of the shareholders whose shares he, she or it holds. He, she or it may issue as many voting forms as there are shareholders, or combine their votes into one or more collective voting forms. Internet voting ought to allow the issuance of Omnibus votes.

If you wish to be informed of the identities and respective numbers of shares of shareholders on whose behalf the Registered Intermediary has voted, you should ask the latter several weeks before the meeting of shareholders, to allow intermediaries to reply in due time.

9. COMPANY'S REQUEST FOR LISTS IDENTIFYING SHAREHOLDERS VOTING THROUGH INTERMEDIARIES

If you intend to ask to Registered Intermediaries systematically for identification of Non-Resident shareholders for whom they vote, this information should be widely disclosed through the various documents sent before the meeting (among others, the Notice of Meeting). Registered Intermediaries will thus be aware of this request and will make

necessary arrangements with their clients[205] in order to reply within time allowed (10 days).

You should also give some information about the means that can be used to reply, for instance, the website of the company.

10. USE OF THE INTERNET FOR COMMUNICATION WITH SHAREHOLDERS

The Decree dated May 3, 2002 now permits use of the Internet for communications between issuing companies and their shareholders.

If the company wishes to substitute telecommunications for mailing, it must first obtain consent from the shareholders concerned in writing[206]. This is true in particular for the various formalities for calling[207] or notice of receipt[208].

In the other direction, the company may open a site to receive by electronic means the requests from shareholders, e.g., requests for Paper Standardized Single Forms.

Provisions relating to telecommunications are not applicable, however, to the formalities relating to meetings of holders of investment certificates or meetings of bondholders[209].

11. THE ATTENDANCE SHEET AND THE INTERMEDIATED SHAREHOLDERS LISTS

If the voting form is issued by a Registered Intermediary, the latter is entered in the Attendance Sheet. However, if at your request he, she or it has specified the names and numbers of shares of shareholders on whose behalf the vote is cast, that list should be attached to the Attendance Sheet.

Likewise, the shareholder lists, which may be inspected at the principal office before the meeting of shareholders, should contain in an appendix a list of shareholders represented by Registered Intermediaries, provided by the latter at your request.

It may be noted, however, that you are not bound by law to query the Registered Intermediaries in order to identify the beneficial owners. This is an option available to you.

Also attached to the Attendance Sheet should be a list identifying Intermediated

---

[205] See Part II, Chapter II, Intermediaries Registered in accounts, Identification of Intermediated shareholders before the meeting and validity of their votes".

[206] Article 120-1 of the Decree dated March 23, 1967, as amended; "in writing" refers not only to paper text but also to electronic messages.

[207] Articles 124, 125 and 126 of the Decree dated March 23, 1967, as amended.

[208] Article 131 of the Decree dated March 23, 1967, as amended by the Decree dated May 3, 2002.

[209] Express exceptions from use of the Internet; Articles 169-3, 169-4, 169-5, 223 et 225 of the Decree dated March 23, 1967, as amended.

shareholders whose votes have been rejected[210].

Foreign investors should be reminded that they have a choice between:

- issuing a separate vote: in such case, they may ascertain that their accepted Voting Form is correct;
- and accepting to have their vote combined with those of other shareholders in the collective Form issued by the Registered Intermediary. In such case, the company is unable to inform them wether the substance of theit vote has duly been taken into account.

12. THE SPECIAL CASE OF INTERNET VOTING

(i) The law allows you an option to permit voting over the Internet by a provision in the by-laws.

ANSA recommends that Internet voting be offered only for voting before the meeting of shareholders, owing to the risk of malfunction of the system for vote collection and processing over the Internet during the meeting. It is better to wait a few years before introducing real-time voting, especially for companies with a large number of shareholders.

The recommended provision of the by-laws is as follows:

"*Having been informed of the motion submitted by the Board of Directors, the Meeting of Shareholders approves the following amendment of the by-laws : Article [X] should be supplemented by a paragraph so drafted : "Shareholders may, in the manner provided for by statute and regulation, send their Proxy forms or postal voting forms relating to any meeting of shareholders either in paper form or, pursuant to a resolution of the Board of Directors published in the Notice of Meeting and the Notice of Call, by remote transmission*."[211].

(ii) If your by-laws allow Internet voting, you should specify, in the Notices of Meeting and of Call:

- whether Internet voting is available only before the meeting or also accepted during the meeting;
- the procedure to be applied by the shareholder: ie how to access the Electronic Single Form, whom should the shareholder approach and when, etc.

(iii) Even if dealing with a bank or service provider to organize the voting procedure, you remain liable for its validity and run the risk, in the event of malfunction or irregularity having distorted the ballot, of annulment of the meeting of shareholders.

---

[210] See in this Chapter, § 14 "Rejected Forms or votes".

[211] If you wish to allow remote voting during the meeting, the following sentence should be added: "The Board of Directors may resolve that votes during the meeting may be cast by remote transmission in the manner provided for by the legislation." As regards video-conferencing, the by-laws could include the following statement: "The Board of Directors may resolve that shareholders may take part in and vote at any meeting of shareholders by video-conferencing, in the manner provided for by the legislation."

Accordingly, you should ensure that the technical procedure used complies with the requirements of the agreement approved by local operators[212].

13. SENDING OF A NOTICE OF RECEIPT FOR THE VOTE

Investors increasingly call for confirmation of receipt of their votes. It is desirable to satisfy this wish when that is possible in practice.

That will be the case when Internet voting is used. In such case, the issuance of a notice of receipt will be compulsory.

14. REJECTED FORMS OR VOTES[213]

(i) Forms may be rejected because they are late[214]. Companies should notify the issuer of the Form in this event. It concerns the Forms received by the Company acting as Account Keeper for Registered Securities.

ANSA recommends that companies draw up a list of rejected ballots indicating the shareholder's identity and the number of shares concerned. This list should be attached to the Attendance Sheet by the Centralizing Entity and thus put at the disposal of shareholders either at the Centralizing Entity's or company's principal office. Time-stamps are issued on late forms.

Companies can either keep the "time-stamped" Forms and transmit only the list to the Centralizing Entity or transmit both the Forms and the list.

(ii) Forms or votes may be rejected for any other reason: for instance non-relevant annotations are written on the Form, the Form is not signed. Forms or votes will be mainly rejected by the company if identification of Intermediated shareholders has been requested, when relevant lists are not provided.

In this event, the company should notify the issuer of the Form. A list of rejected Forms or votes, with the names and numbers of affected shares, should be attached to the Attendance Sheet.

15. PUBLICATION OF THE BALLOT'S OUTCOME

ANSA recommends that you make available on your website the outcome of the vote,

---

[212] See above, Part I, Chapter IV "Internet voting".

[213] Regarding late forms received by Account Keepers, see Chapter III, Custodian Account Keepers financial institutions, § 7 "What to do with forms not received within the deadline".

[214] Article 225-107 para 2 of the Commercial Code: "for calculation of the quorum, only the forms received by the company before the meeting within a time period determined by a Decree issued after consultation of the "Conseil d'Etat shall be taken into account".

Resolution by Resolution.

16. CONSERVATION OF DOCUMENTS

As meetings of shareholders may be challenged before the courts for three years, companies should retain any document (hard-copy or electronic) relating to general meetings: rejected Forms or votes, Intermediated Shareholders Lists.

APPENDIX

APPENDIX 1.1

The following translation is a non certified translation, for information purposes only, of french law. In the event of any ambiguity or conflict between the following text and the french law, the french version shall prevail.

ACT N 2001-420 DATED MAY 15, 2001
RELATING TO NEW ECONOMIC CONTROLS

CHAPTER VI

Identification of shareholders

Article 119

Book II of the Commercial Code shall be amended as follows:

1° After Article L.225-107, an Article L.225-107-1 shall be inserted, drafted as follows:

"*Article L.225-107-1.* The owners of securities referred to under paragraph 3 of Article 228-1 may be represented in the manner provided for under such Article by a registered intermediary.";

2° Articles L.228-1 to L.228-3 shall be replaced by seven Articles L.228-1 to L.228-7, drafted as follows:

"*Article L.228-1.* Securities issued by joint-stock companies shall be in the form of bearer securities or registered securities.
Such securities, regardless of form, shall be entered in accounts in their owners' names, in accordance with Article 94 II of the Finance Act for 1982 (N 81-1160 dated December 30, 1981).
However, when securities representing stock of the company have been admitted for trading on a regulated market, and the owner thereof is not domiciled on French territory, within the meaning of Article 102 of the Civil Code, any intermediary may be registered on behalf of that owner. Such registration may be in the form of a collective account or several individual accounts, each corresponding to one owner.
The registered intermediary shall be bound, when opening his, her or its account with either the issuing company or the account-keeper authorized financial institution, to report, in the manner set by a decree, his, her or its capacity as an intermediary holding securities on behalf of another party.

Article L.228-2. I. With a view to identification of the owners of bearer securities, the by-laws may provide that the issuing company shall be entitled, against a fee for its account, to require at any time the entity in charge of securities clearing to provide, as the case may be, the names or corporate names, nationalities, years of birth or years of incorporation, and addresses of owners of securities conferring, immediately or in future, votes at its own meetings of shareholders, and the number of securities held by each of them, and, if

applicable, any restrictions affecting the securities.
The information shall be collected by the entity mentioned above from the account-keeper institutions affiliated to it, which shall provide such information to it within a period set by a decree pursuant to an opinion from the *Conseil d'Etat*. Within five business days after receipt, such information shall be notified by the entity to the company.
If the period set by a decree is not observed, or if the information provided by the account-keeper institution is incomplete or erroneous, the entity may petition the President of the Civil Court at First Instance acting in summary proceedings for enforcement of the disclosure duty, subject to a daily fine.
II. The issuing company, after complying with the procedure provided for under I and on the basis of the list provided by the entity mentioned above, may request the parties on such list, and who in the company's view may be registered on behalf of third parties, to provide either directly or through that entity the information relating to the owners of securities provided for under I, in the manner and subject to the same penalties as provided for under Article L.228-3-2.
Such parties shall be bound, if they are intermediaries, to disclose the identities of owners of such securities. The information shall be provided directly to the account-keeper authorized financial institution, and the latter shall provide it, as the case may be, to the issuing company or the entity mentioned above.
III. The information obtained by the company may not be transferred by the latter, even on a gratuitous basis. Any breach of this provision shall be punishable as provided for under Article 226-13 of the Criminal Code.

Article L.228-3. In the case of registered securities carrying an immediate or future right to stock, the intermediary registered in accordance with Article L.228-1 shall be bound, within a period set by a decree pursuant to an opinion from the *Conseil d'Etat*, to disclose the identities of such securities' owners on request at any time from the issuing company or its agent.
The special rights attaching to registered shares, and in particular those provided for under Articles L.225-123 and L.232-14, may not be exercised by the intermediary registered in accordance with Article L.228-1 unless the information that such intermediary has provided allows ascertainment of satisfaction of the conditions required for exercise of such rights.

Article L.228-3-1 - I. As long as the issuing company considers that certain holders, the identities of which have been disclosed to it, are holders on behalf of third parties owning the securities, it may require such holders to disclose to it the identities of the securities' owners, in accordance with Article L.228-2 II (1) for bearer securities and Article L.228-3(1) for registered securities.
II. After such transactions, and without prejudice to the duty to report significant interests under Articles L.233-7, L.223-12 and L.233-13, the issuing company may require any legal entity holding its shares and owning interests exceeding one-fortieth of the stock or votes to inform it of the identities of the parties owning directly or indirectly over one-third of the corporate capital of such legal entity or the votes exercised at the latter's meetings of shareholders.

Article L.228-3-2. An intermediary having satisfied the requirements under Article L.228-1 (3) and (4) may, pursuant to a general management authority relating to the securities, forward for a meeting of shareholders the vote or proxy of an owner of shares as defined under paragraph 3 of that Article.

Before forwarding proxies or votes at a meeting of shareholders, the intermediary registered in accordance with Article L.228-1 shall be bound, at the request of the issuing company or its agent, to provide a list of non-resident owners of the shares to which such votes attach. Such list shall be provided in the manner required, as the case may be, by Article L.228-2 or L.228-3.
A vote or proxy issued by an intermediary either not having reported his, her or its capacity as such under Article L.228-1(4) or the second paragraph of this Article, or not having disclosed the identities of the securities' owners under Articles L.228-2 or L.228-3, may not be taken into account.

Article L.228-3-3. If the party having received a request under Articles L.228-2 to L.228-3-1 has not provided the information within the periods provided for under such Articles, or has provided incomplete or erroneous information regarding either that party's capacity or the owners of the securities, the shares or securities carrying immediate or future rights to stock and in respect of which such party has been registered in an account shall be deprived of votes for any meeting of shareholders held until the identification has been corrected, and payment of the related dividend shall be postponed until such time.
In addition, if the registered party knowingly breaches the provisions of Articles L.228-1 to L.228-3-1, the Court within the circuit of which the company's principal office is located may, at the request of the company or one or more shareholders holding 5% of the stock or more, order a complete or partial forfeiture, for a total duration not exceeding five years, of the votes attaching to the shares in respect of which the enquiry has been made, and for the same period, if appropriate, of the related dividend.

Art. L.228-3-4. Any person taking part, in any capacity whatsoever, in the direction or management of the entity in charge of securities clearing and any person employed by the latter, by the issuing company or by the registered intermediary, and being aware, in the course of his or her professional activity, of the information referred to under Articles L.228-1 to L.228-3-1, shall be bound by a duty of confidentiality in the manner and subject to the penalties provided for under Articles 226-13 and 226-14 of the Criminal Code. The confidentiality duty may not be asserted against the *Commission des Opérations de Bourse* or the judicial authorities.";

3° Article L.233-7 shall be supplemented by a paragraph drafted as follows:

"An intermediary registered as holder of securities in accordance with Article L.228-1(3) shall be bound, without prejudice to the obligations of the securities' owners, to make the disclosures provided for under this Article, for all the shares of the company in respect of which the intermediary is registered in an account. Breach of the duties arising out of this paragraph shall give rise to the penalties provided for under Article L.228-3-3.".

APPENDIX 1.2

INTERNET VOTING BY SHAREHOLDERS AT GENERAL MEETINGS IDENTIFICATION AND VOTING OF NON-RESIDENT SHAREHOLDERS[215]

Abstract of Decree dated March 23, 1967, as amended[216]
Legislation based on the "NRE" decree n°2002-803 dated May 3, 2002[217]
implementing part III of the Act dated May 15, 2001 on New Economic Controls

The following translation is a non certified translation, for information purposes only, of french law. In the event of any ambiguity or conflict between the following text and the french law, the french version shall prevail.

Section IV: Meetings of shareholders

Article 119

(Decree n°2002-803 of May 3, 2002) "Companies which by-laws enable shareholders to vote at meetings of shareholders by electronic means of telecommunication, shall develop sites dedicated solely to those purposes".

Article 120 (unchanged)

Subject to the provisions of Articles 123 through 127, the company's by-laws shall determine the rules for calling of meetings of shareholders.

Article 120-1

(Decree n°2002-803 of May 3, 2002) "Companies intending to use electronic telecommunications in the stead of postal notice to comply with the formalities required under Articles 124, 125, 129, 131 and 138, shall first obtain consent in writing from the shareholders concerned, who shall specify their e-mail addresses. The latter may at any time expressly request the company, by registered mail return receipt requested, to replace in future the aforementioned means of telecommunication by postal notice."

Consolidated Article 122

(Decree n°2002-803 of May 3, 2002) For the purposes of implementation of Article L.225-103 of the Commercial Code, shareholders may at their own expense appoint one of them to apply to the President of the Commercial Court acting in summary proceedings for appointment of the agent mentioned under such Article.

---

[215] The provisions relating to Internet voting are not applicable either to meetings of *certificats d'investissement* holders (art 169-3, 169-4 of the decree of March 23, 1967 as amended by the decree of May 32, 2002, art 41 to 43) or to meetings of bondholders (art 223 and 225 of the decree of March 23, 1967 as amended by the decree of May 32, 2002, art 44 and 45).

[216] Consolidation by the ANSA

[217] Published in *Journal Officiel* on May 5, 2002, page 8717.

The order shall set the agenda of the meeting.

Article 123 (unchanged)

The notice of call shall specify the corporate name, followed by its acronym if applicable, the company's form, the amount of corporate capital, the address of the principal office, the company's registration numbers with the Registry of Commerce and the National Statistical Institute, the day, time and location of the meeting, and its nature as extraordinary, ordinary or special, and its agenda. If applicable, it shall specify where bearer shares or one of the certificates referred to under Article 136 para. 1 are to be deposited to create entitlement to attend the meeting, and the date by which such deposit is to be carried out.

Subject to miscellaneous matters, which must be of minor importance only, the headings of matters entered in the agenda shall be drafted so as to cause their contents and scope to appear plainly, without requiring reference to other documents. The notice of call shall specify the manner in which shareholders may vote by mail and the locations where and manner in which they may obtain the necessary forms and appended documents.

Consolidated Article 124

The notice of call shall be published in a newspaper authorized to carry legal advertisements in the *département* where the principal office is located, and in addition, if the company issues securities to the public, in the *Bulletin des Annonces Légales Obligatoires*.

If all the company's shares are registered, the publications provided for under the foregoing paragraph may be replaced by notice given, at the company's expense, by ordinary or registered mail sent to each shareholder. *(Decree n°2002-803 of May 3, 2002) "Such notice may also be given by a means of electronic telecommunication implemented in the manner provided for under Article 120-1 at the address specified by the shareholder".*

Consolidated Article 125

Shareholders having held registered securities for one month at least on the date of publication of the notice of call provided for under Article 124 para. 1 shall be called to any meeting of shareholders by ordinary mail. Provided that they send to the company the cost of registration, they may request a call by registered mail. *(Decree n°2002-803 of May 3, 2002) "Such notice may also be forwarded by means of electronic telecommunication implemented in the manner provided for under Article 120-1 at the address specified by the shareholder".*

All owners of shares subject to undivided interests shall be called in the same manner, if their rights are recorded, within the period provided for under the foregoing paragraph, by a personal entry.

If the shares are subject to a life-interest (*usufruit*), the party entitled to vote shall be called in the form and manner.

Consolidated Article 126

The period between the date of either the publication or the latest publication containing a notice of call, or of the mailing of letters, *(Decree n°2002-803 of May 3, 2002) "or of the transmission of the call by electronic telecommunications"*, and the date of the meeting shall be no less than fifteen days upon a first call and six days upon a subsequent call. In the event of postponement of the meeting of shareholders by a Court order, the Court may set a different period.

Article 127 (unchanged)

If a meeting was unable to act validly, in the absence of the necessary quorum, the second meeting of shareholders shall be called in the manner provided for under Article 124, and the notice of call shall specify the date of the former.

The same provision shall apply for the calling of an extraordinary meeting of shareholders or special meeting of shareholders postponed in the manner provided for under Articles 153 para. 2 and 156 para. 3 of the Act on Commercial Companies [*Articles L.225-96 para. 2 and L.225-98, para. 3 of the Commercial Code*.]

Consolidated Article 128

A request for the entry of draft resolutions in the agenda of the meeting, by shareholders representing at least five per cent of the corporate capital, shall be sent to the principal office by registered mail return receipt requested *(Decree n°2002-803 of May 3, 2002) "or by electronic telecommunication"*.

If, however, the company's capital exceeds EUR 750,000, the amount of capital to be represented under the foregoing paragraph shall be, according to the size of such capital, reduced as follows:

4 per cent for the first EUR 750,000
2.5 per cent for the bracket of capital between EUR 750,000 and 7,500,000
1 per cent for the bracket of capital between EUR 7,500,000 and 15,000,000
0.5 per cent for higher capital.

The request shall be accompanied by the text of the draft resolutions, to which may be added a brief statement of grounds.

The issuers of the request shall provide evidence of holding or representation of the proportion of capital required by carrying out, prior to mailing such request, the formalities required under Article 136 para. 1.

If the draft resolution concerns a nomination to the Board of Directors or Supervisory Board, it must be accompanied by the information required under point 5 of Article 135.

Consolidated Article 129

Any shareholder of a company not issuing securities to the public and wishing to exercise the option to require the entry of draft resolutions in the agenda of a meeting of shareholders may request notice from the company, by registered mail *(Decree n°2002-803 of May 3, 2002) "or by a means of electronic telecommunication implemented in the manner provided for under Article 120-1 at the address specified by the shareholder"*, of the locations where are to be *"provided a certificate evidencing unavailability of the bearer shares registered in accounts or, if there is no clause in the by-laws, a book-entry attestation",* and the date scheduled for the meetings or some of them to convened. The company shall be bound to send such notice if the shareholder has provided it with the mailing expenses, *(Decree n°2002-803 of May 3, 2002) "or to forward it by a means of electronic telecommunication implemented in the manner provided for under Article 120-1 at the address specified by the shareholder".*

Requests for the entry of draft resolutions in the agenda shall be sent twenty-five days at least before the date of the meeting convening upon a first call.

Consolidated Article 130

Companies issuing securities to the public shall be bound, prior to convening the meeting of shareholders, to issue in the *Bulletin des Annonces Légales Obligatoires.* a notice containing the following information:

1. The corporate name, followed by its acronym if applicable;
2. The company's form;
3. The amount of corporate capital;
4. The address of the principal office;
5. The agenda of the meeting ;
6. The text of draft resolutions to be submitted to the meeting of shareholders by the Board of Directors or Management Board , as the case may be;
7. The locations where *(Decree n°2002-803 of May 3, 2002) "a certificate evidencing unavailability of the bearer shares registered in accounts or, if there is no clause in the by-laws, a book-entry attestation, are to be provided"*;
8. Unless the company sends all its shareholders a postal ballot form, the locations where and manner in which such forms may be obtained;

(Decree n°2002-803 of May 3, 2002) 9. "The existence and address of the site referred to under Article 119".

If the company has issued non-voting preferred-dividend shares, the published notices shall also mention the duty to submit the resolutions to the special meeting of holders of non-voting preferred-dividend shares, for an opinion, consent or approval.

Requests for the entry of draft resolutions in the agenda shall be sent within ten days after publication of the notice provided for under the foregoing paragraph. That period shall be specified in the notice.

The meeting of shareholders may not convene less than thirty days after such publication.

Consolidated Article 131

The Chairman of the Board of Directors or the Management Board shall acknowledge receipt of the draft resolutions by registered mail within five days after such receipt. *(Decree n°2002-803 of May 3, 2002) "Such notice of receipt may also be sent by a means of electronic telecommunication implemented as provided for under Article 120-1 at the address specified by the shareholder".*

Such draft resolutions shall be entered in the agenda and submitted to the meeting of shareholders for a vote.

Article 131-1 *(Decree n°2002-803 of May 3, 2002) "From the time of calling of the meeting, any shareholder may request in writing of the company provision, if applicable by electronic means, in the manner defined under Article 119, of a remote ballot form. Such request shall be filed or received at the principal office no later than six days before the date of the meeting".*

Article 131-2 (unchanged)

The postal ballot form shall allow a vote on each of the resolutions, in the order of their submission to the meeting of shareholders; it must allow the shareholder an opportunity to vote in favor of or against the passing of each resolution, or to abstain.

It must inform the shareholder conspicuously that any abstention stated in the form or based on the lack of a vote in the statement shall be treated as a vote against the resolution.

The form may, if applicable, be contained in the same document as the proxy form; in such case, Article 131-4 shall be applicable.

The form shall contain a reminder of the provisions of Article 131-3 para. 2 and the specification of the date before which, under the by-laws, it must be received by the company in order to be taken into account; if the company and the intermediaries that it has authorized have agreed that the latter would no longer accept to forward to the company ballot forms that they have received before a date prior to that set by the company, such date shall be specified.

The following shall be appended to the form:

1. The text of the draft resolutions, accompanied by a statement of grounds and the identification of their issuers;

2. A request for the sending of the documents and information referred to under Article 135 and informing the shareholder that he, she or it may request the benefit of Article 138 para. 3;

3. In the case of an ordinary meeting of shareholders provided for under Article 157 of the Act on Commercial Companies [*Article L.225-100 of the Commercial Code*], the statement and documents provided for under Article 133-3.

Consolidated Article 131-3

The date from which ballot forms received by the company may no longer be taken into account may not be more than three days before the date when the meeting of shareholder convenes, unless the by-laws provide for a briefer period. *(Decree n°2002-803 of May 3, 2002) "However, electronic remote ballot forms may be received by the company until the day before the meeting of shareholders at 3.00 p.m., Paris time".*

Postal ballot forms received by the company shall include:

1. The shareholder's name, usual forename and residence;
2. A statement of compliance with one of the formalities provided for under Article 136 para. 1, which may be contained in a document appended to the form;
3. The signature[, electronic if applicable,] of the shareholder or his, her or its statutory or Court-appointed representative.

A postal ballot form sent to the company for a meeting shall be valid for successive meetings called to act upon the same agenda.

Article 131-4 (unchanged)

If the company uses the single form provided for under Article 131-2 para. 3, such document, which may be in the form appended to this decree, shall include in addition to the statements provided for under Articles 131-2 and 131-3, and under points 5 and 6 of Article 133 the following statements:

1. That it may be used for each resolution either for a vote by mail or for a vote by proxy;
2. That a proxy may be granted to an agent appointed in accordance with Article 161 of the Act on Commercial Companies [*Article L.225-16 of the Commercial Code*], the provisions of which shall be reproduced on such document, to vote in the signor's name;
3. That if new resolutions were submitted at the meeting, the signor may either state in that document the intention to abstain, or to grant a proxy to the Chairman of the meeting or to an agent appointed in accordance with the aforementioned Article 161 [*Article L.225-106 of the Commercial Code*].

Consolidated Article 132

The proxy granted by a shareholder to be represented at a meeting of shareholders shall be signed by the latter *(Decree n°2002-803 of May 3, 2002)*, "*if applicable by an electronic signature process*", and specify the shareholder's name, usual forename and residence. It may appoint an agent by name, who may not appoint another person to act in his, her or its stead.

The proxy shall be granted for a single meeting. It may be granted, however, for two meetings of shareholders, one ordinary and one extraordinary, to be held on the same day or within a period of fifteen days.

A proxy granted for one meeting of shareholders shall be valid for successive meetings called to act upon the same agenda.

Article 132-1

(Decree n°2002-803 of May 3, 2002) "Instructions issued by electronic means in the manner provided for under Article 119 and including a proxy or power of attorney may validly reach the company until 3:00 p.m. Paris time on the day before the meeting of shareholders convenes; as soon as the company has received such instructions, they shall be irrevocable, except in the event of an assignment of securities, pursuant to which the shareholder shall make use of the express freeze-cancellation procedure under Article 136 para. 3".

Consolidated Article 133

The following shall be attached to any proxy form sent to shareholders, *(Decree n°2002-803 of May 3, 2002) " if applicable by electronic means in the manner provided for under Article 119"*, by the company or its agent appointed for such purpose:

1. The agenda of the meeting;
2. The text of draft resolutions submitted by the Board of Directors or Management Board, as the case may be, and by shareholders in the manner provided for under Article 128 to 131;
3. A summary statement of the company's position during the past financial year, accompanied by a chart containing the company's earnings during each of the past five financial years or each financial year ended since the company's incorporation or its absorption of another company, if fewer than five;
4. A form to request the mailing of the documents and information referred to under Article 135, informing the shareholder that he, she or it may request the benefit of Article 138 para. 3;
5. A postal ballot form containing a reminder of the terms of Article 161-1 of the Act on Commercial Companies;
6. A conspicuous reminder of the provisions of Article 161 para. 4 of the Act on Commercial Companies [*Article L.225-106 para. 4 of the Commercial Code*];
7. The statement that the shareholder, if not attending the meeting of shareholders personally, may elect among the following three options:
   a) grant a proxy to another shareholder or his or her spouse;
   b) vote by mail; and
   c) grant a proxy to the company not specifying an intention;
8. A statement that in no event may the shareholder return to the company both the proxy form and the postal ballot form. If [both] the proxy form and postal ballot form are

returned in breach of point 8 of this Article, the proxy form shall be taken into account, subject to the votes expressed in the postal ballot form.

Article 134

(Decree n°2002-803 of May 3, 2002) "Proxy and remote ballot forms forwarded by electronic means in the manner provided for under Article 119 shall comply with the rules provided for under Articles 131-2 to 133".

Article 135 (unchanged)

The company shall send the shareholders or make available to them, in the manner provided for under Articles 138 and 139, the following information, contained in one or more documents:

1. The names and usual forenames of either the Directors and General Managers, or members of the Supervisory Board and Management Board, and, if applicable, a list of other companies in which such persons hold management, direction, administration or supervisory office;
2. The text of draft resolutions submitted by the Board of Directors or Management Board, as the case may be;
3. If applicable, the text and statement of grounds for draft resolutions submitted by shareholders;
4. The report from the Board of Directors or Management Board, as the case may be, to be submitted to the meeting of shareholders and, if applicable, the comments from the Supervisory Board;
5. If the agenda includes the appointment of Directors or members of the Supervisory Board:

a) the nominees' names, usual forenames and ages, their professional references and professional activities during the past five years, including in particular current and past offices held in other companies;

b) the positions or offices held in the company by the nominees and the number of shares of the company that they hold;

6. For an ordinary meeting of shareholders as provided for under Article 157 of the Act on Commercial Companies [*Article L.225-100 of the Commercial Code*]:

a) the annual accounts, consolidated accounts, report on the group's management, a chart of allocations of earnings including in particular the source of funds proposed to be paid out;

b) a chart containing the company's earnings during each of the past five financial years or each financial year ended since the company's incorporation or its absorption of another company, if fewer than five;

c) the reports from the statutory auditors provided for under Articles 103 para.3, 145 para. 3, 230-1 and 340-2 of the Act on Commercial Companies [*Articles L.225-40, para. 3, L.225-88, para. 3, L.234-1 and L.232-3 of the Commercial Code*] and Article 193 below;

d) the comments from the Supervisory Board, if applicable;

e) the companies referred to under Articles 294 to 298 shall also send the shareholders a statement of securities held in portfolio at the close of the financial year;

7. For an ordinary meeting of shareholders as provided for under Article 157-1 of the Act on Commercial Companies, the statutory auditors's report referred to under such Article [*Article L.225-201 of the Commercial Code*];

8. For an extraordinary meeting of shareholders, the report from the statutory auditors to be submitted to the meeting, if applicable.

Consolidated Article 136

(Decree n°2002-803 of May 3, 2002) "The right to participate in meetings of shareholders may be made contingent upon either registration of the shareholder or intermediary referred to under Article L.228-1 para.3 of the Commercial Code, in the accounts of registered securities kept by the company, or the forwarding to the locations specified in the notice of call of a certificate evidencing unavailability of the bearer shares registered in accounts until the date of the meeting. In the case of bearer shares, the account keepers authorized by the Conseil des Marchés Financiers, at the request of any shareholder or registered intermediary having performed the formality, shall so attest, if applicable by electronic means in the manner provided for under Article 119, on the remotel ballot form or proxy form issued in the shareholder's name or on behalf of the shareholder represented by the registered intermediary, or on a separate document issued solely to be appended to such form. From the time of issuance of such certificate, the shareholder may no longer select an other manner of participation in the meeting of shareholders, subject to contrary provisions in the by-laws".

The date before which such formalities are to be performed shall be set by the by-laws. It may not be more than five days before the date when the meeting of shareholders convenes.

(Decree n°2002-803 of May 3, 2002) "If the by-laws provide for an obligation to perform one of the formalities referred to under the first paragraph, any shareholder having performed such formality may nevertheless sell all or part of his, her or its shares during the minimum period for registered entry or unavailability of bearer securities, by notifying to the account keeper authorized by the Conseil des Marchés Financiers the cancellation of such entry or unavailability at the latest at 3:00 p.m., Paris time, on the day before the meeting of shareholders, subject only, if the shareholder has requested an admission card or already stated a remote vote or returned a proxy, to providing to the custodian account keeper authorized by the Conseil des Marchés Financiers the information allowing cancellation of the vote or amendment of the number of shares and votes relating to his, her or its vote".

Consolidated Article 138

From the time of calling of the meeting of shareholders and until the fifth day, inclusive, prior to the meeting, any shareholder holding registered shares may request of the company provision at the stated address of the documents and information referred to under Articles 133 and 135. The company shall be bound to perform such provision before the meeting and at its own expense. *(Decree n°2002-803 of May 3, 2002) "Such provision may be performed by a means of electronic telecommunication implemented in the manner provided*

for under Article 120-1 at the address specified by the shareholder".

The same right shall be available to any shareholder holding bearer securities and providing evidence of such capacity by performance of the formality provided for under Article 136 para. 1.

The shareholders referred to under para. 1 above may, by means of a single application, obtain of the company provision of the documents and information mentioned above on the occasion of each subsequent meeting of shareholders.

(Paragraph 4 null and void)[218]

Article 139 (unchanged)

From the time of calling of the annual ordinary meeting of shareholders and at least during the fifteen days preceding the date of the meeting, any shareholder shall be entitled to obtain disclosure, at the principal office or location of administrative management, of the documents and information listed under Articles 168 of the Act on Commercial Companies [*Article L.225-115 of the Commercial Code*] and 135 of this decree. However, the shareholder shall be entitled to obtain disclosure of the report from the statutory auditors, at the same location, only during the same period of fifteen days.

He, she or it shall also be entitled, from the time of calling of a special meeting of shareholders and at least during the fifteen days preceding the date of the meeting, to obtain disclosure, at the same location, of the text of the resolutions submitted, the report from the Board of Directors or Management Board and, if applicable, the report from the statutory auditors.

He, she or it may also, from the time of calling of the meeting of shareholders provided for under Article 157-1 of the Act on Commercial Companies [*Article L.225-101 of the Commercial Code*], obtain in the manner provided for under the foregoing paragraph disclosure of the text of the resolutions submitted, the report from the Board of Directors or Management Board, and the statutory auditors' report referred to under Article 157-1 of the aforementioned statute [*Article L.225-101 of the Commercial Code*].

Except as regards the inventory[219], the right to obtain disclosure shall include a right to make copies.

Article 140 (unchanged)

In accordance with Article 169 of the Act on Commercial Companies [*Article 225-*

---

[218] The NRE Act suppressed the possibility in the by-laws to provide a minimum number of shares to participate to the meeting.

[219] Defined in a Decree of November, 1983, art 6 (translated for information) : "the inventory is a statement of all elements making up assets and liabilities, for each of them are indicated amount and value on the date of the inventory".

116 of the Commercial Code], the shareholder shall be entitled, during the fifteen days preceding the meeting of shareholders, to obtain disclosure, at the locations provided for under the foregoing Article, or to make copies of the shareholder list.

For such purpose, the shareholder list shall be determined by the company on the sixteenth day before the meeting of shareholders convenes. It shall contain the name, usual forename and address of each holder of registered shares. The number of shares held by each shareholder shall also be mentioned.

Article 141 (unchanged)

The shareholder shall exercise the rights recognized under Articles 139 and 140, personally or through an agent appointed by name to represent him, her or it at the meeting of shareholders.

Article 142 (unchanged)

In accordance with Article 170 of the Act on Commercial Companies [*Article L.225-117 of the Commercial Code*], the shareholder shall be entitled to obtain, personally or through an agent, at the principal office or location of administrative management, disclosure of the documents referred to under such Article.

Except as regards the inventory[220], the right to obtain disclosure shall include a right to make copies.

Article 144 (unchanged)

Any shareholder exercising the right to obtain disclosure of documents and information from the company may be assisted by an expert registered in one of the lists determined by the Courts.

Consolidated Article 145

The attendance sheets of meetings of shareholders shall contain the following information:

1. The name, usual forename and residence of each shareholder present *(Decree n°2002-803 of May 3, 2002) "or deemed to be present within the meaning of Article L.225-107 of the Commercial Code",* the number of shares held, and the number of votes attaching to such shares;
2. The name, usual forename and residence of each shareholder represented, the number of shares held, and the number of votes attaching to such shares;
3. The name, usual forename and residence of each proxy, the number of shares held

[220] See note # 5

by his, her or its principals, and the number of votes attaching to such shares;

4. The name, usual forename and residence of each shareholder having sent to the company a postal ballot form, and the number of shares held and the number of votes attaching to such shares.

The officers of the meeting may append to the attendance sheet the proxy or postal ballot form containing the name, usual forename and residence of each shareholder having appointed a proxy or voting by mail, the number of shares held and the number of votes attaching to such shares. In such case, the officers of the meeting shall specify the number of proxies and postal ballot forms appended to such sheet, and the number of shares and votes corresponding to the proxies and forms. The proxies and postal ballot forms shall be disclosed at the same time and in the same manner as the attendance sheet.

The officers of the meeting shall certify the attendance sheet, which shall be duly signed by the attending shareholders or the proxies.

Article 145-2

(Decree n°2002-803 of May 3, 2002) "The the video-conferencing means referred to under point II of Article L.225-107 of the Commercial Code must satisfy technical features in order to guarantee the actual participation in the meeting, which proceedings are continuously broadcast".

Article 145-3

(Decree n°2002-803 of May 3, 2002) "Shareholders exercising their votes during the meeting by electronic means in the manner provided for under Article 119 may access the site dedicated for such purpose only after providing identification, by means of a code issued prior to the meeting".

Article 145-4

(Decree n°2002-803 of May 3, 2002)"The minutes of meeting's proceedings referred to in the Article 149 report any occurrence of technical hitches in relation with video-conferencing or electronic communications in the case it disrupted the meeting".

Article 146 (unchanged)

The Chairman of the Board of Directors or Management Board, as the case may be, or in his or her absence, the person designated by the by-laws, shall act as chairman of meetings of shareholders.For lack, the meeting of shareholders itself elect the chairman.

In the event of a call by the statutory auditors, a Court-appointed agent or the liquidators, the party or one of the parties calling the meeting shall act as chairman.

Article 147 (unchanged)

The two members of the meeting of shareholders having at their disposal the largest number of votes and accepting such office shall act as tellers of such meeting.

The officers of the meeting shall appoint a secretary who, subject to contrary provisions of the by-laws, need not be a shareholder.

Article 148 (unchanged)

The Board of Directors or the Management Board, as the case may be, in particular in the report provided for under Article 157 of the Act on Commercial Companies [*Article L.225-100 of the Commercial Code*], shall describe clearly and precisely the activity of the company and, if applicable, of its subsidiaries during the last elapsed financial year, the results from such activity, the progress made or difficulties encountered, and the future prospects.

A chart containing the company's earnings during each of the past five financial years or each financial year ended since the company's incorporation or its absorption of another company, if fewer than five, must be appended to the report referred to under the foregoing paragraph.

Article 149 (unchanged)

The minutes of proceedings of the meeting of shareholders shall specify the date and location of the meeting, the manner of calling, the agenda, identities of the officers, number of shares voted and the quorum achieved, the documents and reports submitted to the meeting, a summary of the proceedings, the text of resolutions put to a ballot and the outcome of ballots. They shall be signed by the officers of the meeting. The minutes shall be entered in a special register kept at the principal office, in the manner provided for under Articles 85 and 109.

(...)

Identification and voting of non-resident shareholders

Article 151-1

(Decree n°2002-803 of May 3, 2002)"The intermediary referred to under paragraphs 3 and 4 of Article L.228-1 of the Commercial Code shall report his, her or its capacity as an intermediary registered on behalf of third parties when opening the account with the issuer or with an intermediary authorized by the Conseil des Marchés Financiers, whether the latter is a custodian account keeper or a central depositary when the registered intermediary has

opened a securities account in the records of such central depositary".

Article 151-2

*(Decree n°2002-803 of May 3, 2002)"*When the securities are in the form of administered registered securities, the account keeper authorized by the *Conseil des Marchés Financiers* shall immediately forward such statement to the issuing company".

Article 151-3

(Decree n°2002-803 of May 3, 2002)"When under point II of Article L.228-2 and point I Article L.228-3-1 of the Commercial Code, the issuing company requests information directly of the parties identified in the list forwarded by the central securities depositary or the registered intermediary, such parties shall be bound to reply either directly to the company or to the authorized custodian account keeper, which shall in its turn forward the reply to the company".

Article 151-4

(Decree n°2002-803 of May 3, 2002)"Affiliated custodian account keepers shall be allowed 10 working days from the request under paragraph 2 of point I of Article L.228-2 of the Commercial Code".

Article 151-5

(Decree n°2002-803 of May 3, 2002)"A registered intermediary shall be allowed 10 working days from the request under paragraph 1 of Article L.228-3 of the Commercial Code".

Article 151-6

(Decree n°2002-803 of May 3, 2002)"A registered intermediary having a general securities-management contract under Article L.228-3-2 of the Commercial Code may forward or issue under his, her or its own signature the votes of the owners of shares. The proxies and powers of attorney shall be retained for three years after the meeting of shareholders during which the votes were exercised".

Article 62 (of NRE decree n° 2002-803 du 3 mai 2002)

An intermediary already registered on behalf of owners of shares when this decree becomes effective shall report his, her or its capacity in the manner provided for under Article L.228-1 of the Commercial Code within three months after publication hereof.]

(…….)

APPENDIX 2

PAPER STANDARDIZED SINGLE FORM

VOTE BY MAIL, PROXY

Norme AFNOR
NF K 12-164
(April 2001)

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / *Before selecting, please see instructions on reverse side.*

QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / *WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM*

A. ☐ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / *I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.*

B. ☐ J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

ASSEMBLEES GENERALES
ORDINAIRE ET/OU EXTRAORDINAIRE
(date, heure et lieu de l'assemblée)

Number of shares : Nominatif / *Registered* (VS / *single vote* ; VD / *double vote*) ; Porteur / *Bearer*

ORDINARY AND/OR EXTRAORDINARY GENERAL MEETING
(the meeting is held : date, hour)

☐ JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST*

Cf. au verso renvoi (3) - *See reverse (3)*

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, **à l'EXCEPTION** de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels **je vote NON** ou je m'abstiens.

I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for wich I vote against or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ■ la case correspondant à mon choix.

On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

1	2	3	4	5	6	7	8	9
☐	☐	☐	☐	☐	☐	☐	☐	☐
10	11	12	13	14	15	16	17	18
☐	☐	☐	☐	☐	☐	☐	☐	☐
19	20	21	22	23	24	25	26	27
☐	☐	☐	☐	☐	☐	☐	☐	☐
28	29	30	31	32	33	34	35	36
☐	☐	☐	☐	☐	☐	☐	☐	☐
37	38	39	40	41	42	43	44	45
☐	☐	☐	☐	☐	☐	☐	☐	☐

	Oui/ *Yes*	Non/No *Abst/Abs*		Oui/ *Yes*	Non/No *Abst/Abs*
A	☐	☐	F	☐	☐
B	☐	☐	G	☐	☐
C	☐	☐	H	☐	☐
D	☐	☐	J	☐	☐
E	☐	☐	K	☐	☐

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / *In case amendments or new resolutions are proposed during the meeting.*

- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / *I appoint the Chairman of the meeting to vote on my behalf.* ..... ☐
- Je m'abstiens (l'abstention équivaut à un vote contre). / *I abstain from voting (is equivalent to a vote against).* ..... ☐
- Je donne procuration (cf. au verso renvoi 2) à M, Mme ou Mlle ..... ☐
  pour voter en mon nom / *I appoint (see reverse (2)) Mr, Mrs or Miss / to vote on my behalf*

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE

dater et signer au bas du formulaire, sans rien remplir

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING

date and sign the bottom of the form without completing it

cf. au verso renvoi (2) - *See reverse (2)*

☐ JE DONNE POUVOIR A

(soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) **pour me représenter à l'assemblée** / *I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder - see reverse (2)) to represent me at the above mentioned meeting.*

M, Mme ou Mlle / *Mr, Mrs or Miss*

Adresse / *Address*

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions que vous avez données, ne seront valides que si les titres correspondants ont été immobilisés, dans les délais prévus, par l'établissement financier qui tient votre compte de titres.
CAUTION : concerning bearer shares, your vote or proxy will not be counted unless these shares have been blocked from trading by the subcustodian within the prescribed period.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement) - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)

Cf. au verso renvoi (1) - *See reverse (1)*

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest

sur 1re convocation / *on 1st notification* : AGO - AGE (*ordinary meeting / extraordinary meeting*)

sur 2e convocation / *on 2nd notification* : AGO - AGE (*ordinary meeting / extraordinary meeting*)

Date & Signature

à la BANQUE / *to the Bank*
à la SOCIÉTÉ / *to the Company*

☐

A. L'actionnaire désire assister personnellement à l'assemblée. Dans ce cas, il doit, au recto du document, cocher la case A puis dater et signer au bas du formulaire.
B. A défaut, l'actionnaire peut utiliser le formulaire de vote * . Dans ce cas il doit, au recto du document, cocher la case B et choisir l'une des trois possibilités :

⇨ donner pouvoir à une personne dénommée (cocher et compléter la case appropriée, puis dater et signer au bas du formulaire).

QUELLE QUE SOIT L'OPTION CHOISIE la signature de l'actionnaire est indispensable

(1) Le signataire est prié d'inscrire très exactement, dans la zone réservée à cet effet, ses nom (en majuscules d'imprimerie), prénom usuel et adresse ; si ces indications figurent déjà sur le formulaire, il est demandé au signataire de les vérifier et, éventuellement, de les rectifier.
Pour les personnes morales, indiquer les nom, prénom et qualité du signataire.
Si le signataire n'est pas lui-même un actionnaire (exemple : Administrateur légal, Tuteur, etc.) il doit mentionner ses nom, prénom et la qualité en laquelle il signe le formulaire de vote.
Le formulaire adressé pour une Assemblée vaut pour les autres Assemblées successives convoquées avec le même ordre du jour (Art. 131-3-§3 du décret du 23 mars 1967).

VOTE PAR CORRESPONDANCE

(3) Loi du 24 juillet 1966 sur les sociétés commerciales (extrait) ART. 161-1 (art. L 225-107 du Code de Commerce) :
"Tout actionnaire peut voter par correspondance, au moyen d'un formulaire dont les mentions sont fixées par décret. Les dispositions contraires des statuts sont réputées non écrites.
Pour le calcul du quorum, il n'est tenu compte que des formulaires qui ont été reçus par la Société avant la réunion de l'Assemblée, dans les conditions de délais fixés par décret. Les formulaires ne donnant aucun sens de vote ou exprimant une abstention sont considérés comme des votes négatifs."

⇨ Si vous désirez voter par correspondance, vous devez obligatoirement cocher la case JE VOTE PAR CORRESPONDANCE au recto. Dans ce cas, il vous est demandé :

• Pour les projets de résolutions proposés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance :
- soit de voter 'oui' pour l'ensemble des résolutions en ne noircissant aucune case.
- soit de voter 'non' ou de vous 'abstenir' (ce qui équivaut à voter "non") sur certaines ou sur toutes les résolutions en noircissant individuellement les cases correspondantes.

• Pour les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance :
- de voter résolution par résolution en noircissant la case correspondant à votre choix.

En outre, pour le cas où des amendements aux résolutions présentées ou des résolutions nouvelles seraient déposées lors de l'assemblée, il vous est demandé d'opter entre 3 solutions (pouvoir au Président de l'Assemblée Générale, abstention ou pouvoir à personne dénommée), en noircissant la case correspondante à votre choix.

POUVOIR AU PRÉSIDENT L'ASSEMBLÉE GÉNÉRALE OU POUVOIR A UNE PERSONNE DENOMMÉE

(2) Loi du 24 juillet 1966 sur les sociétés commerciales (extrait) ART. 161 (art. L 225-106 du Code de Commerce) :

"Un actionnaire peut se faire représenter par un autre actionnaire ou par son conjoint.

Tout actionnaire peut recevoir les pouvoirs émis par d'autres actionnaires en vue d'être représenté à une Assemblée, sans autres limites que celles résultant des dispositions légales ou statutaires fixant le nombre maximal des voix dont peut disposer une même personne, tant en son nom personnel que comme mandataire. Avant chaque réunion de l'Assemblée générale des actionnaires, le Président du conseil d'administration ou le Directoire, selon le cas, peut organiser la consultation des actionnaires mentionnés à l'article 157-2 afin de leur permettre de désigner un ou plusieurs mandataires pour les représenter à l'Assemblée générale conformément aux dispositions du présent article. Cette consultation est obligatoire lorsque, les statuts ayant été modifiés en application de l'article 93-1 ou de l'article 129-2, l'Assemblée générale ordinaire doit nommer au Conseil d'Administration ou au Conseil de surveillance, selon le cas, un ou des salariés actionnaires ou membres des Conseils de surveillance des fonds communs de placement d'entreprise détenant des actions de la société. Les clauses contraires aux dispositions des alinéas précédents sont réputées non écrites.
Pour toute procuration d'un actionnaire sans indication de mandataire, le Président de l'Assemblée générale émet un vote favorable à l'adoption de projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire, selon le cas, et un vote défavorable à l'adoption de tous les autres projets de résolution. Pour émettre tout autre vote, l'actionnaire doit faire choix d'un mandataire qui accepte de voter dans le sens indiqué par le mandant".

* Le texte des résolutions figure dans le dossier de convocation joint au présent formulaire (art. D 133) : ne pas utiliser à la fois : "JE VOTE PAR CORRESPONDANCE" et "JE DONNE POUVOIR A" (Art. D 133-8). La langue française fait foi.

NB : Si les informations contenues sur le présent formulaire sont utilisées pour un fichier nominatif informatisé, elles sont soumises aux prescriptions de la Loi 78-17 du 6 janvier 1978, notamment en ce qui concerne le droit d'accès et de rectification pouvant être exercé par l'intéressé.

INSTRUCTIONS FOR COMPLETION

A. If the shareholder wishes to attend the meeting personally, tick box A on the front of the document. Please also date and sign at the bottom of the form.
B. Otherwise, the shareholder may use this form as a postal vote *.
In this case check box B on the front of the form and choose one of the three possibilities :
- use the postal voting form (tick the appropriate box, date and sign below)
- give your proxy to the Chairman of the meeting (date and just sign at the bottom of the form without filling in)
- give your proxy to another shareholder (tick and fill in the appropriate box, date and sign below).

WHICHEVER OPTION IS USED the shareholder's signature is necessary

(1) The shareholder should write his exact name and address in capital letters in the space provided ; if this information is already supplied, please verify and correct if necessary. If the shareholder is a legal entity, the signatory should indicate his full name and the capacity in wich he is entitled to sign on the legal entity s behalf. If the signatory is not the shareholder (e.g. a legal guardian, etc.), please specify your full name and the capacity in wich you are signing the proxy.
The form sent for one meeting will be valid for all meetings subsequently convened with the same agenda (art. 131-3§3 of March 23, 1967 law)

POSTAL VOTING FORM

(3) French Company Act of July 24, 1966 (extract) Art. 161-1 (art. L 225-107 du Code de Commerce) : "A shareholder can vote by post by using a postal voting form determined by law. Any other methods are deemed to be invalid".
Only the forms received by the Company before the meeting, within the time limit and conditions determined by law, are valid to calculate the quorum.
The forms giving no voting direction or indicating abstention are deemed to vote against."
If you wish to use the postal voting form, you must tick the box on the front of the document : "I VOTE BY POST"
In such event, please comply with the following instructions :

• For the resolutions proposed or agreed by the Board, you can :
- either vote 'for' for all the resolutions by leaving the boxes blank
- or vote 'against' or 'abstention' (wich is equivalent to voting against) by shading boxes of your choice

• For the resolutions not agreed by the Board, you can :
- vote resolution by resolution by shading the appropriate boxes.

In case of amendments or new resolutions during the shareholder meeting you are requested to choose between three possibilities (proxy to the chairman of the meeting , abstention or proxy to another shareholder) by shading the appropriate box.

PROXY TO THE CHAIRMAN OF THE MEETING OR PROXY TO ANOTHER SHAREHOLDER

(2) French Company Act of July 24, 1966, Art. 161 (extract), (art. L 225-106 du Code de Commerce) : **"A shareholder can have himself/herself represented by another or by his/her spouse".**

Any shareholder can receive proxies issued by the other shareholders to have themselves represented at a meeting, without any other limitations than those laid down by the law or by the articles of association fixing the maximum number of votes to wich a person is entitled both in his/her own name or a proxy. Before each shareholder's meeting, the Chairman of the Board of Directors or the Executive Board, may consult the shareholders listed in article 157-2 in order to allow them to designate one or several proxies to represent them at the shareholders' meeting in accordance with this article. Such consultation is obligatory when the articles of association, having been modified pursuant to articles 93-1 or 129-2, require the shareholders' ordinary meeting to appoint to the Board of Directors or the Executive Board, one or more shareholder employees or members of the Executive Board of a pension fund holding shares in the company. The clauses in contradiction with the provisions of the foregoing paragraphs are deemed to be invalid. **When proxies do not indicate the name of the appointed proxy, the chairman of the meeting will vote the proxy in favor of the adoption of the draft resolutions presented or approved by the Board of Directors or the Executive Board, and will vote the proxy against the adoption of all the other draft resolutions. To give any other vote, the shareholder must choose a proxy who accepts to vote as he/she indicates.**

* The text of the resolutions are in the notification of the meeting wich is sent with this proxy (art. D 133) : please do not use both "I VOTE BY POST" and "I HEREBY APPOINT" (art. D 133-8). The French version of this document governs : **the English translation is for convenience only.**

NB : **If any information included in this form is used for a computer file, it is protected by the provisions of law 78-17 of January 6, 1978, especially about rights of access and alteration that can be exercised by interested parties.**

ANNEXE 3.1

CHANNELS FOLLOWED BY THE INFORMATION AND ELECTRONIC SINGLE FORMS VOTING BEFORE THE MEETING OF SHAREHOLDERS

BRIEF PRESENTATION

There are two alternative solutions open to the local operators, issuers and financial intermediaries. Both are based on the principle of an overall site with the meeting's centralizer (the issuer or its agent).

1. In the first solution -hereinafter "Option 1" (see appendices 3.2 and 3.3)-, the access codes to the centralizer's "overall" site are allocated by each account keeper to its customers wishing to vote over the Internet, thereby securing each voting party's capacity as a shareholder. The centralizer receives the "Freeze" Certificate after the event (after the shareholder has voted) from the account keeper concerned (having the necessary information from the time of allocation of the access code); if the account-keeper financial intermediary does not provide the Internet service, it may send that Certificate to the meeting's centralizer, which shall itself send the access code to the shareholder.

2. In the second solution[221] -hereinafter "Option 2" (see appendix 3.4), the shareholder votes on the meeting's centralizer's "overall" site, from the shareholder's account keeper's site: recognition of the voting party's capacity as a shareholder is thereby secured, and the "Freeze" Certificate is attached to the voting form.

In both cases:

- a provisional ballot box receives the votes, pending their transfer to the final ballot box on D-day;
- the model voting screens below (see appendices 3.3 and 3.4) are equally valid for both options.

[221] This solution has been designed jointly by the C.F.O.N.B (Securities Group) and the Issuers group of the AFTI.

APPENDIX 3.2

MEETINGS OF SHAREHOLDERS USING THE INTERNET: VOTING BEFORE THE MEETING

EXPLANATORY NOTE TO THE GRAPH OF INFORMATION CHANNELS OPTION 1 (SEE APPENDIX 3.3)

1. The notices of call are sent to the shareholders by:
   - the account keepers, for shareholders holding bearer shares;
   - the issuing company, for shareholders holding their shares in registered form, whether "pure" or "administered" (statutory duty of the issuer).

2. The access codes are allocated by the account keeper: the issuer for pure registered shares, the financial intermediaries for bearer shares; for administered registered shares, the issuer also, but if the latter wishes, that duty may be performed by the administrator account keepers. This allocation is based on the data provided by the centralizer (range of codes provided to each joint collector, for instance). The means used by the account keeper to allocate to the shareholder the relevant access code for the centralized voting site are unrestricted: they may be either computerized or hard-copy; what matters is that they provide all the necessary security (the account keeper must be certain of having issued the individual access code to the holder of the account entered in its records): this procedure warrants to the centralizer the voting party's capacity as a shareholder.

As soon as the account keeper allocates an access code to one of its applicant customers, the meeting's centralizer is informed of the fact. The centralizer is thereby provided with the source of the instruction, enabling it subsequently to request and/or match the freeze certificate for securities taking part in the meeting of shareholders.

3. The shareholder, using the access code received from the account keeper or issuer, votes, in interactive mode, on the single voting site: that of the meeting's centralizer. As soon as the shareholder has validated his, her or its action (electronically), a notice of receipt is issued to the shareholder. The related vote is then kept in the centralizer's provisional ballot box pending matching with the freeze certificate, either requested by the centralizer of the specified intermediary or provided directly by the centralizer.

4. As soon as the freeze certificate has been obtained, the centralizer compares it with the remote-voting form (or proxy, or application for an admission card), and if everything fits, the latter's state is modified accordingly: the form, being valid, remains in the provisional ballot box pending transfer to the final ballot box; only the number of shares voted may be reduced, wholly or in part, until the day before the meeting at 3:00 p.m. in the event of sale of securities ("revocable freeze" procedure).

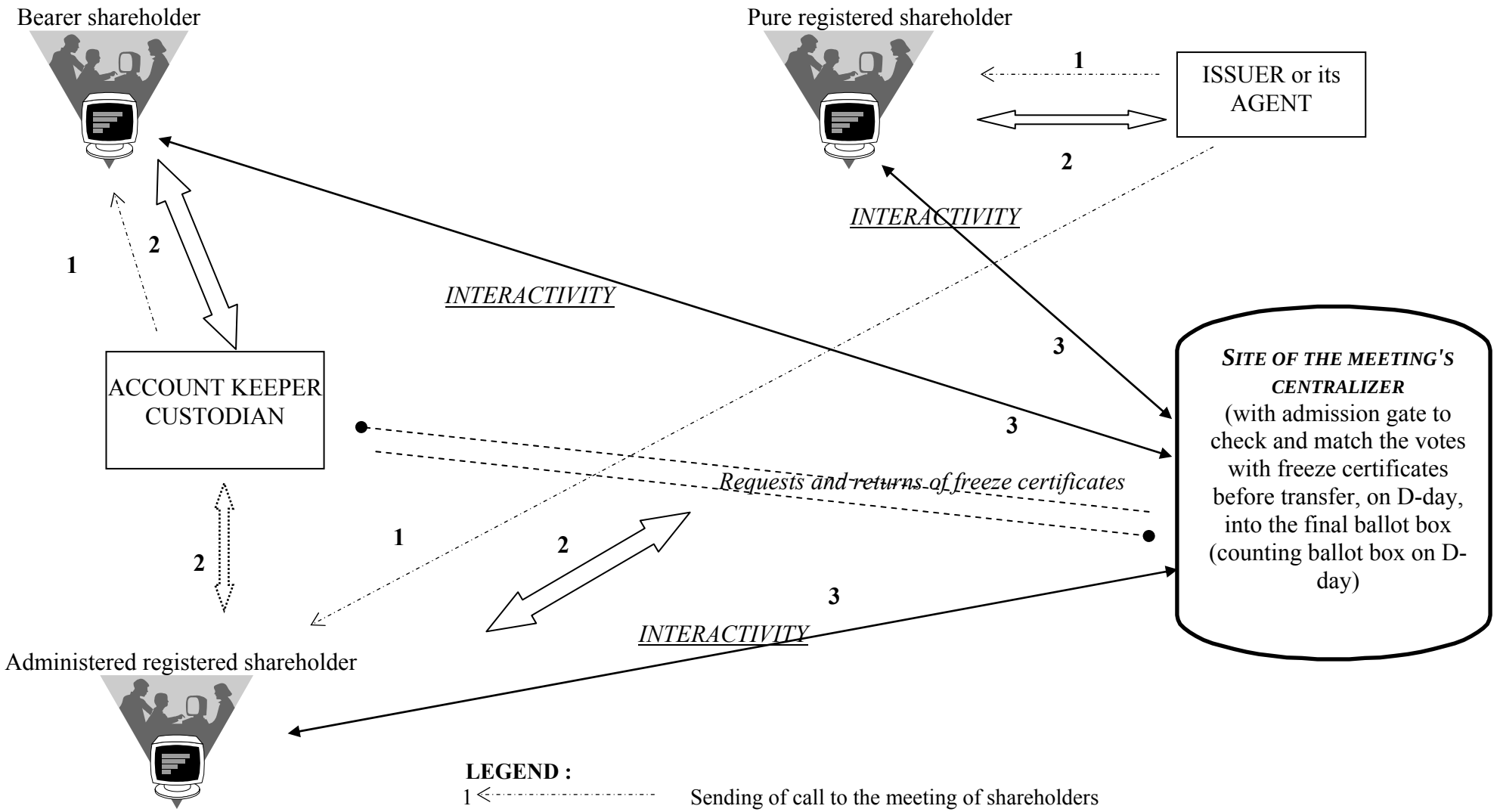
Further information:

- "Paper" documents travel by the current channel; they may be placed in the provisional ballot box by computer entry, singly or collectively per deposit, for instance.

- If the centralizer needs to request "freeze" certificates from the account keepers[222], such requests issued by the centralizer shall be standardized in order to enable account keepers to automate this transaction in their customers' accounts (as it may be at present).

[222] Financial intermediaries may follow another procedrure : if it is possible for the account keeper, the latter will deliver directly to the issuer or the centralizer the "freeze" certificate mentioning the shareholder's e-mail address and then, the centralizer will forward to the shareholder his, hers, its access code.

APPENDIX 3.3 : MEETINGS OF SHAREHOLDERS OVER THE INTERNET : VOTING BEFORE THE MEETING



LEGEND :

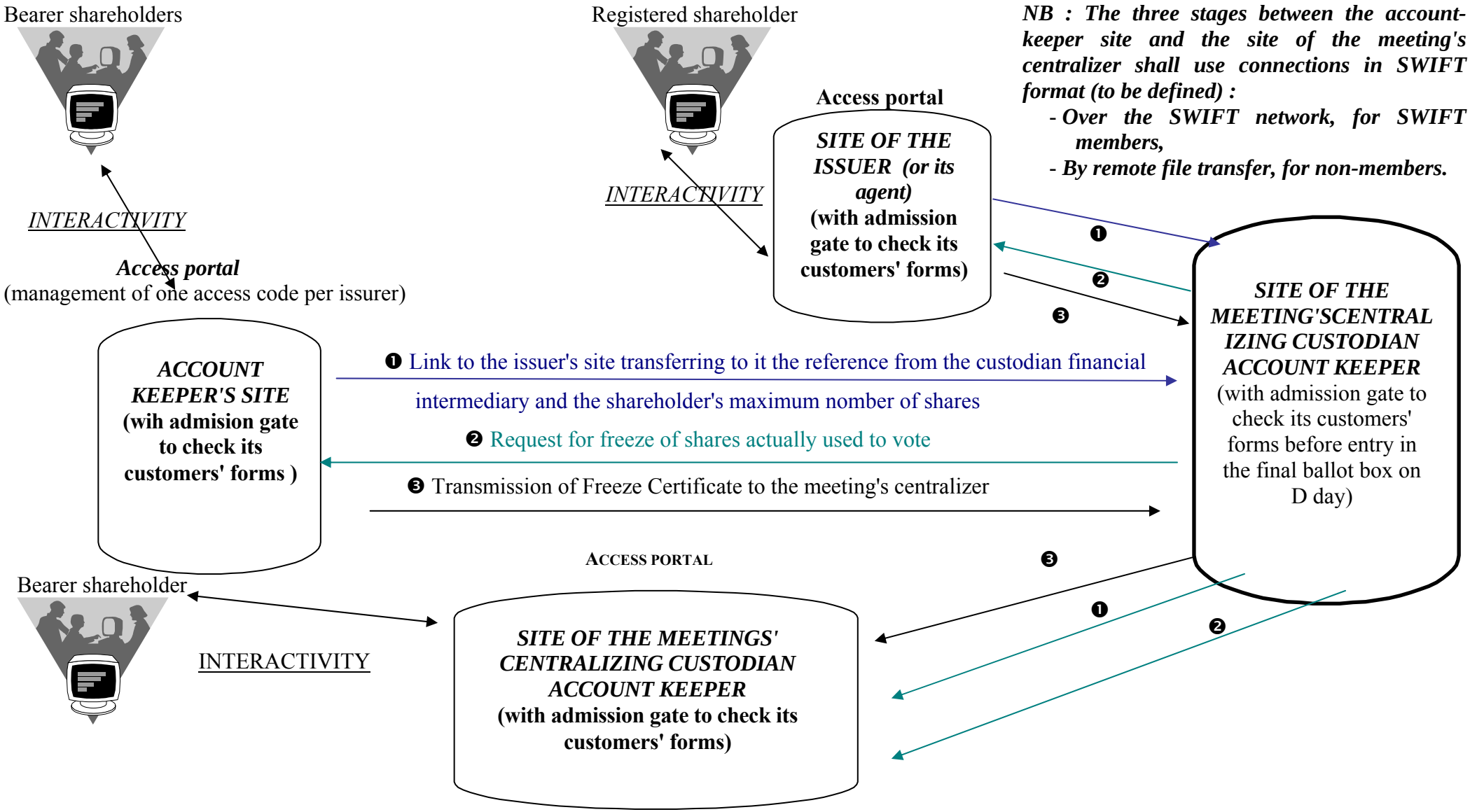
1 Sending of call to the meeting of shareholders

2 Allocation of access codes for the centralized remote-voting site on the basis of information provided by the centralizer.

3 Voting by the shareholder, in interactive mode.

4 Requests and returns of freeze certificates, for bearer shares.

APPENDIX 3.4 : MEETINGS OF SHAREHOLDERS OVER THE INTERNET / VOTING BEFORE THE MEETING



APPENDIX 3
ELECTRONIC SINGLE FORM
VOTING BEFORE THE MEETING

Sample screen for Internet voting at meetings of shareholders of French companies

---

Access code:

Password:

COMPANY .....

(by clicking, possible access to the company's by-laws)

ACCESS TO THE MEETING SITE:

FRENCH VERSION ☐

ENGLISH VERSION ☐

/Ordinary/ Extraordinary Special Combined meeting of shareholders to be held on .....

(statement of location, date and time when the meeting of shareholders is to be held)

Deadline for instructions (*application for card, proxy or remote voting)* to be taken into account: ☐

The shares that I own are held in the following form:
Click on the appropriate box

☐ **REGISTERED**
(if "pure" registered, specify your identification number with the issuer: .....)

☐ **BEARER**

NAME ..... Forename .....
ADDRESS .....

E-mail
If you wish in future to receive calling documents by telecommunications,
check this box ☐

If, in accordance with Article L.225-108 of the Commercial Code, you wish to receive the documents and information referred to under Articles 133 and 138 of the decree dated 23 march 1967,
check this box ☐

Number of shares held: .....
If you do not wish to vote this number, specify here the number of shares that you wish to vote : ☐

☐ **SINGLE VOTES**
☐ **DOUBLE VOTES** (*for registered shares*)

NUMBER OF VOTES:
(*This item will be completed by your account keeper*.)

4 options for voting:

☐ I wish to attend this meeting, and request an admission card.
☐ I grant a proxy to the Chairman of the meeting of shareholders.
☐ I grant a proxy to (SPOUSE OR ANOTHER SHAREHOLDER - SPECIFY HIS, HER OR ITS TITLE, NAME, FORENAME AND ADDRESS)
Mr. Mrs. Miss
Address
☐ I cast a remote vote, by telecommunications, with respect to the following draft resolutions[223].

[223] For omnibus forms (non-resident shareholders), Registered Intermediaries are advised, in order to automate as far as possible the processing of votes, to issue several Electronic Single Forms each combining all the votes of represented shareholders stating the same position (no "mixing"). A variation on this standard Form consists, however, of showing for an omnibus (non-resident shareholders) a "mix" of votes issued by the Registered Intermediary by sub-groups of non-residents each voting differently on the same resolution, with the partial numbers of shares and votes relating to each sub-group.

Note: the law treats an option for "abstention" as equivalent to a vote "against".

1st resolution : title and summary

(summary provided by the issuing company: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining[224]

2nd resolution: title and summary

(summary provided by the issuing company: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

3rd resolution: title and summary

(summary provided by the issuing company: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

Final resolution: title and summary

(summary provided by the issuing company: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

[224] Additional remark relating to omnibus forms: if four sub-groups are distinguished by the Registered Intermediary, there will be displayed here four sets of "for", "against" and "abstaining" headings, with the related numbers of shares and votes.

Regarding the draft resolutions not approved by the Board of Directors, Management Board or Management:

Draft resolution A

(summary: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

Draft resolution B

(summary: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

Draft resolution C

(summary: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

Draft resolution D

(summary: that read out at the meeting on D-day)

(By clicking, access to full text of the resolution and statement of grounds)

☐ For ☐ Against ☐ Abstaining

If amendments or new resolutions were submitted during the meeting:

☐ I grant a proxy to the Chairman of the meeting of shareholders to vote in my name.

☐ I shall abstain (abstaining is equivalent to a vote "against").

☐ I grant a proxy to (another shareholder)
Title, name, forename
address
post code and town
to vote in my name.

RECAPITULATION OF YOUR VOTES

	Draft resolutions not approved by the Board of Directors, Management Board or Management
1st resolution	**A**
2nd resolution	**B**
3rd resolution	**C**
Final resolution	**D**

If amendments or new resolutions were submitted at the meeting, you have elected to:

Click here TO AMEND all or part of your vote

Click here TO VALIDATE all your vote.

Please wait for an acknowledgement of receipt of this transaction before logging off; otherwise, we cannot warrant that your request for participation in the meeting of shareholders has been duly recorded by our system.

APPENDIX 3.6

ELECTRONIC VOTING NOTICE
VOTING DURING THE MEETING

SCREEN PROPOSITION (TEMPORARY) FOR INTERNET VOTING AT MEETINGS OF SHAREHOLDERS OF FRENCH COMPANIES

NB : *this is a **prospective document** that has to be technically adapted*

Access code:
Password:
Security certificate *(possible)*:

COMPANY .....

(by clicking, possible access to the company's by-laws)

FRENCH VERSION ☐
ENGLISH VERSION ☐

Ordinary
Extraordinary
Special
Combined **meeting of shareholders to be held on .....**

The shares that I own are held in the following form:
Click on the appropriate box

☐ **REGISTERED**
(if "pure" registered,
specify your identification number with the issuer:.....)

☐ **BEARER**

NAME Forename
ADDRESS

E-mail
If you wish in future to receive calling documents
by telecommunications, check this box ☐

NUMBER OF SHARES HELD: .....
If you do not wish to vote this number,
specify here the number of shares that you wish to vote: ☐

☐**SINGLE VOTES** ☐**DOUBLE VOTES** *(for registered shares)*

NUMBER OF VOTES:
This item will be completed by your account keeper.

I am issuing a vote by telecommunications during the meeting of shareholders[225].

I am allowed limited time to vote: ** seconds for each resolution; I will not be able to amend my vote thereafter; if I fail to comply with that time limit, my vote will not be taken into account.

1st resolution: title and summary

(summary provided by the issuing company: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining[226]

2nd resolution: title and summary

(summary provided by the issuing company: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

[225] For omnibus notices (non-resident shareholders), Registered Intermediaries are advised, in order to automate as far as possible the processing of votes, to issue several Electronic Notices each combining all the votes of represented shareholders stating the same position (no "mixing"). A variation on this standard notice consists, however, of showing for an omnibus (non-resident shareholders) a mix of votes issued by the Registered Intermediary by sub-groups of non-residents each voting differently on the same resolution, with the partial numbers of shares and votes relating to each sub-group.

[226] Additional remark relating to omnibus notices: if four sub-groups are distinguished by the Registered Intermediary, there will be displayed here four sets of "for", "against" and "abstaining" headings, with the related numbers of shares and votes.

3rd resolution: title and summary

(summary provided by the issuing company: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Final resolution: title and summary

(summary provided by the issuing company: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Regarding the draft resolutions not approved by the Board of Directors, Management Board or Management:

Draft resolution A

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Draft resolution B

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Draft resolution C

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Draft resolution D

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

If amendments or new resolutions were submitted during the meeting:

Draft new resolution NR1 or amendment A1

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Draft new resolution NR2 or amendment A2

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Draft new resolution NR3 or amendment A3

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

Draft new resolution NR4 or amendment A4

(summary: that read out at the meeting today)

By clicking, access to full text of the resolution and statement of grounds

☐ For ☐ Against ☐ Abstaining

RECAPITULATION OF YOUR VOTES

	Draft resolutions not approved by the Board of Directors, Management Board or Management
1st resolution	**A**
2nd resolution	**B**
3rd resolution	**C**
Final resolution	**D**

If amendments or new resolutions were submitted at the meeting, you have elected to:
NR1 or 1A
NR2 or A2
NR3 or A3

Please wait for an acknowledgement of receipt of your votes before logging off; otherwise, we cannot warrant that your participation in the meeting of shareholders has been duly recorded by our system.

INDEX/ GLOSSARY

This glossary is intended to define the meaning of certain words and phrases as used in this document.

Abstaining *Abstention*	Abstaining is equivalent to a vote against a Draft Resolution
Administered Registered *Nominatif administré*	A share entered in an account with the issuer (it is a Registered Security), but also with an Authorized Intermediary. The owner issues instructions to that intermediary, which forwards that information to the issuer by means of a Statement of Registered References (*Bordereau de Références Nominatives*).
Admission Card *Carte d'admission*	A document issued to shareholders wishing to attend the meeting of shareholders.
Agenda *Ordre du jour*	A list of matters that the meeting of shareholders may discuss. Apart from dismissal of the officers, the meeting of shareholders may not vote upon "Resolutions" not included in the Agenda. Several "Draft Resolutions" are connected with the Agenda.
Amendment *Amendement*	The right for any shareholder taking part in a meeting of shareholders to submit a change to one of the "Draft Resolutions" on the "Agenda". If the meeting votes in favor of that Amendment, the Resolution so amended is passed.
Attendance Sheet *Feuille de présence*	A document drawn up by each issuer and listing the shareholders taking part in meetings of shareholders, regardless of the means of voting (voting forms may be attached to that list). It specifies the number of votes belonging to each and is signed by the shareholders attending the meeting.
Authorized Intermediary *Intermédiaire habilité*	A financial institution licensed by CMF to keep Securities Accounts.
BALO	See *Bulletin des Annonces Légales Obligatoires*.
Bearer *Porteur*	See "Bearer shares".
Bearer share *Action au porteur*	A share entered only in an account kept by a "Registered intermediary" ; the issuing company is accordingly unaware of the shareholder's identity.
Beneficial Owner *Beneficial Owner*	Individual or legal entity, real Holder of the Rights Attaching to a Share, who is not legally the "owner" of the Securities under French law. Thus, the Beneficial Owner (in this meaning) may be a trustee. See *Holder of the Rights Attaching to a Share*.
Blank Proxy *Pouvoir en blanc*	When the Proxy is granted without specifying an agent ("blank" Proxy), the Chairman of the meeting of shareholders votes it in favor of the Draft Resolutions approved by the Board of Directors or Management Board.

Book-Entry Attestation *Attestation d'inscription en compte*	A document issued by a "custodian Account Keeper", proving that on the date of its issuance, a party is indeed a Bearer shareholder of a particular company when wishing to exercise a right reserved for shareholders, other than the vote.
Bulletin des Annonces Légales Obligatoires **("BALO")**	The official bulletin provided for by law, publishing the information required of issuers by law (e.g., corporate and consolidated accounts, dates and Agendas of meetings of shareholders, etc.). It exists in paper form and on the website of the Official Journal of the French Republic (www.journal-officiel.gouv.fr).
Centralizing Entity *Centralisateur de l'assemblée générale*	The entity organizing a shareholders' meeting on behalf of most French listed companies, usually one of the leading Paris bank. The Meeting's Centralizer is responsible for collecting voting forms, verifying voters' identities and number of shares, tabulating the votes. They are expected to act independently and manage the voting properly and objectively. Very few listed companiies organize their own meeting.
Commission des Opérations de Bourse **(COB)**	A public entity in charge of enforcement of the exchange legislation and protection of public investment. The COB has regulatory authority and may impose penalties (equivalent to the SEC).
Conseil des Marchés Financiers **(CMF)**	A professional entity appointed by law to determine the exchange legislation relating to Regulated Markets' operation, and to make decisions relating to financial transactions. The Account Keepers financial intermediaries in France are bound to apply its regulation and are subject to its control.
Custodian Account Keeper *Teneur de compte conservateur*	A financial institution and/or issuing company performing the administration of Securities Accounts. If it issues shares to the public, the issuing company may be the custodian Account Keeper for the securities that it issues and manages itself, when it is requested by shareholders (Pure Registered accounts)
De materialized Security *Titre dématérialisé*	Security represented by an entry in a security account in France.
Direct Non-Resident shareholder *Non résident actionnaire en direct*	A Non-Resident shareholder holding securities in an account opened in France in his, her or its own name.
Draft Resolutions *Projets de résolution*	Proposed decisions submitted to the vote of shareholders, and determined by the Board of Directors, Management Board or Supervisory Board. Certain shareholders holding the percentage of interest required by the legislation may, during a specific period, add other Draft Resolutions, which may be unrelated to the Agenda set by the officers.

Electronic Admission Card *Carte d'admission électronique*	Encrypted datas issued to shareholders in order to enable them to vote over the Internet during the meeting of shareholders, when the company allows this kind of voting.
Electronic Notice *Bulletin électronique de vote*	For Internet voting during the meeting of shareholders, if the company so allows.
Electronic Single Form *Formulaire unique électronique*	An Internet-based voting form for meetings of shareholders, allowing voting by the same means as those provided for by the Paper Standardized Single Form. That form must be forwarded before the meeting of shareholders.
Euroclear France	A limited company acting as central depositary of all securities tradable on Regulated Markets and those that it has accepted for processing. It performs settlement and delivery of such securities. The member Account Keepers are bound to apply its instructions.
Euronext France	A commercial company organizing securities exchanges in France. It is a "market company", a subsidiary of the Euronext group, the European undertaking combining the Belgian, French and Dutch markets, and the London LIFFE.
Identifiable Bearer security *Titre au porteur identifiable / TPI*	A Bearer Security for which the issuing company may request at a given time disclosure of the holder's identity. That request is to be fulfilled by the central depositary, Euroclear France, which sends it to the Account-Keeper financial institution.
Holder of the Rights Attaching to a Share *Titulaire des Droits Attachés à l'Action*	See Beneficial Owner
Intermediated Account *Compte Intermédié*	A Securities Account opened with a Registered Intermediary in its name to hold securities belonging to Non-Resident shareholders.
Intermediated Non-Resident *Non résident intermédié*	A Non-Resident shareholder whose securities are not held in an account opened in his, her or its own name in the company's records or in a Securities Account with a financial institution in France, but held by a custodian in a Securities Account opened in that custodian's name (Intermediated Account).
Intermediated Shareholders List *Liste des actionnaires intermédiés*	To exercise their rights, Intermediated Non-Resident shareholders must be identified to the company. Registered Intermediaries, if the company requires it, must confirm their clients' identity and number of shares. They transmit to the company lists giving such information. These lists are attached to the Attendance Sheet
Market Company *Entreprise de marché*	An exchange for the trading of securities (see "Euronext France").

New Resolution *Résolution nouvelle*	A Draft Resolution submitted at the meeting by a shareholder. Apart from an "Amendment", a new Draft Resolution may concern only the following matters: - motion for dismissal of a Director; - if applicable, appointment of a new Director to replace the one dismissed; - a decision necessarily arising out of a Resolution entered in the Agenda.
Notice of Call *Avis de convocation*	A notice to the shareholders calling them to a meeting of shareholders. It must be sent by mail to the holders of Registered shares and published in the "BALO" 15 days at least before the date of the meeting, and contain certain items of information set by legislation, including in particular the final Agenda.
Notice of Meeting *Avis de réunion*	Information concerning the date of a forthcoming meeting of shareholders published in the "BALO" one month at least before the date of that meeting. It also contains a list of the Draft Resolutions submitted by the Board of Directors. Publication of that notice is the starting-point for the 10-day period during which shareholders meeting the relevant requirements may submit "Draft Resolutions" additional to the Agenda.
Omnibus *id*	A collective voting form cast by a Registered Intermediary for several non-Resident shareholders whose securities he, she or it keeps.
Paper Standardized Single Form *Formulaire unique normalisé sur papier*	A voting paper for meetings of shareholders, containing the information defined by the legislation and allowing either a vote on each Draft Resolution, or the issuance of a Proxy or voting instructions to the Chairman of the meeting, another shareholder or a spouse. It must be sent before the meeting of shareholders, by a date specified in the "Notice of Meeting". Certain companies do not use the Paper Standardized Single Form but a form they drafted fotr themselves.
Power of attorney *Procuration*	See Proxy : a "Power of Attorney" is more often used for the proxy given to another designated shareholder.
Proxy *Pouvoir*	A delegation of authority granted by one shareholder to another to vote in the former's stead. The legislation determines the only classes of persons who may act pursuant to proxies : the shareholder's spouse, another shareholder, and for Non-Residents only, the "Registered Intermediary".
Pure Registered *Nominatif pur*	Registered shares entered only in the issuer's records.
Quorum *id*	Minimum portion of interest required to take part in voting for the proceedings of the meeting of shareholders to be valid.

Registered *Nominatif*	See "Registered shares".
Registered Intermediary *Intermédiaire inscrit*	A person registered on behalf of one or more Non-Residents in the shareholders' accounts of a French listed company, or a Securities Account opened with an authorized financial institution.
Registered share *Action nominative*	A share registered in the Securities Accounts kept by the issuing company, which accordingly knows the shareholder. At the company's request, the share may be entered both in an account kept by a financial institution and in the company's accounts ; in such case, it is "Administered Registered" (*nominatif administré*), as opposed to shares registered only in the company's record, with are "Pure Registered" (*nominatif pur).*
Regulated Market *Marché réglementé*	An official securities market subject to regulations, the general principles of which are set by a statute, which is itself in compliance with EU directives. In France, there are three Regulated Markets for securities (Primary, Secondary and Nouveau Marché) in France. These are to be distinguished from the over-the-counter market *(marché libre)* which operates only on the basis of standard-form contracts, drafted by the market company on the basis of government regulation
Report of crossing of interest thresholds *Déclaration de franchissement de seuils*	A statutory obligation to report to the CMF and the issuer the holding of certain percentages of interest in listed companies (5%, 10%, 20%, etc.). The by-laws may extend that obligation to lower thresholds (specific thresholds). Breach of the statutory duty entails a suspension of the vote for shares in excess of the unreported threshold.
Resident *Résident*	A party having his, her or its residence, and therefore domicile, in a particular jurisdiction, France in the present case. The domicile is defined under Article 102 of the French Civil Code.
Resolution *Résolution*	A decision finally passed by a meeting of shareholders.
Securities Account *Compte titres*	An account in which de-materialized securities are kept ; Securities Accounts are kept by "custodian Account Keepers".
Statement of Registered References *Bordereau de Références Nominatives/ BRN*	A vehicle for information relating to an Administered Registered shareholder forwarded by the financial institution keeping the latter's account to the issuing company or vice versa.
Stock Security *Titre de capital*	A security carrying a right to stock, immediately or in future (e.g., shares, convertible bonds, etc.).

Verification Certificate
Certificat d'immobilisation

An attestation required by the issuing company's by-laws, issued by the Account-Keeper bank and proving capacity as holder of a number of Bearer shares. This document is drawn up before a meeting of shareholders by the Account Keeper, which attests that the owner is a shareholder from the date of the certificate's issuance to the date of the meeting. The related shares may, however, be sold ; if shares are sold before 3:00 pm, on the day before the meeting, the number of shares voted must be corrcted. That certificate is required for voting at a meeting of shareholders.

Vote by Mail
Vote par correspondance

Form of remote voting prior to the meeting of shareholders enabling each shareholder to vote upon each Draft Resolution by means of a voting paper (see "Paper Standardized Single Form") or over the Internet (see "Electronic Single Form").