

Shareholders' rights and obligations_

General Shareholders' Meetings

General or Special Shareholders' Meetings are convened and deliberations are held under the conditions set forth by law. When the required quorum is reached, the General Shareholders' Meeting represents all the shareholders. Its decisions are binding on everyone, even shareholders who are absent or opposed. The Meeting is held at the head office or at any other location specified in the Meeting notice.

Any shareholder may participate in person, by proxy or by mail with proof of identify and of share ownership in the form of either a registered account or bearer shares on deposit at the location mentioned in the Meeting notice. These requirements must be met no later than five days before the meeting date. This period may be shortened by decision of the Board of Directors.

Any shareholder may also, if the Board of Directors so decides at the time the General Shareholder's Meeting is convened, vote at the General Meeting by any means of teletransmission (Internet) under the conditions set forth by law.

The General Shareholders' Meeting is chaired by the Chairman or one of the Vice-Chairmen of the Board of Directors, or by a Director designated by the Board of Directors or by the Chairman.

The Meeting designates an office comprising the Chairman of the meeting, two Officers and a Secretary.

The positions of Officer are held by the two members of the Meeting that represent the largest number of votes or, if they decline, are proposed successively to those following behind them until two people accept.

The copies or extracts of the reports are certified by the Chairman of the Board of Directors or by a General Director who is member of the Board or by the Secretary of the Meeting.

Form of the shares and statutory thresholds

All shares are registered until fully paid in.

Fully paid category shares are registered or bearer, at the choice of the shareholder, subject to the provisions set forth in (2) of the following subsection. Aside from the legal requirement to inform the company when certain portions of the capital are held, any natural or legal person and/or any shareholder owning a number of shares of stock in the company equal to or greater than:

1) 2% of the capital or voting shares, must inform the company of the total number of shares held within a period of fifteen days from the time the threshold is crossed, by registered letter, with acknowledgement of receipt. This report shall be renewed under the same conditions whenever a new threshold of a multiple of 2% is reached.

2) 2% of the capital or voting shares, must request that their shares be entered in registered form within five trading days after the threshold is crossed. This registration requirement applies to all shares held or acquired after the threshold is crossed. A copy of the registration application, sent to the company by letter or facsimile within fifteen days after the threshold is crossed, shall be considered a report that the statutory threshold was crossed. This application shall be renewed under the same conditions whenever a new multiple of 2% threshold is crossed, up to a limit of 50%.

When the thresholds described in (1) and (2) are calculated, any shares held indirectly and any shares combined with shares owned as defined by the provisions of Articles L. 233-7 of the commercial code will also be factored in.

All reports filed as described above must certify that they do indeed include all shares held or owned pursuant to the foregoing paragraph. The acquisition date(s) must also be indicated.

In the event of non compliance with the provisions described in (1) and (2) above, the shareholder shall, under the conditions and restrictions defined by law, lose the voting rights corresponding to any shares over the threshold that are subject to the reporting requirement.

Any shareholder whose interest in the capital drops below either of the thresholds described in (1) and (2) above shall also be required to inform the company within the same period of fifteen days, in accordance with the same terms.

The shares are represented by registration in the books of the issuing company in the name of their owner, or through an authorized intermediary.

The registered shares shall be transmitted by account-to-account bank transfer. Registrations, bank transfers and transfers of ownership shall be done under the conditions laid down by law and the regulations in force.

In cases where the parties are not relieved of these obligations by the legislation in effect, the company can demand that the signing of the transaction or transfer declarations be certified under the conditions laid down by law and the regulations in force.

The company may, under the conditions provided by law or by any bylaws in effect, request any information from any agency or authorized intermediary regarding its shareholders (or the holders of shares granting voting rights immediately or in the future), their identity and the number of securities held by them, as well as information on any restrictions that may apply to the securities.

The statutory provisions concerning the obligations in the event of crossing of the thresholds were approved by the Combined General Shareholder's Meeting of October 17, 2000 and are in effect since June 15, 2001.

Voting rights

Subject to the provisions below, every member of every Meeting is entitled to as many votes as they own or represent in shares.

However, a double voting right is attached to all fully paid registered shares, posted in the name of the same holder for at least three years.

The double voting right will terminate automatically for any shares converted to bearer form or when there is a transfer of ownership. However any transfers made from registered form to registered form following an inheritance or an intestate succession, a division of community property between spouses or a donation inter vivos to a spouse or to relatives who are legal heirs shall not interfere with the above deadline or shall retain the right acquired.

Irrespective of the number of shares owned by them, either directly or indirectly, when casting single votes in General or Special Meetings, either in their own name or as proxies, shareholders may not cast over 8% of the votes attached to the shares present or represented when voting on resolutions in any General Shareholders' Meeting. If shareholders have double votes in addition, either in their own name or as proxies, the limit set above may be exceeded solely with respect to such additional voting rights. However, in no event shall the number of votes exceed 16% of the votes attached to any shares present or represented. When this restriction is applied, any shares held indirectly or shares combined with shares owned as defined by the provisions of Articles L. 233-7 and following of the French new commercial code will be taken into account.

The foregoing restriction shall automatically lapse should any natural or legal person, alone or together with one or more natural or legal persons, come to hold at least 66.66% of the total number of shares in the company following takeover bid or exchange offer proceedings targeting all the stock in the company. The Board of Directors shall acknowledge the lapse once the results of the proceedings are published.

The foregoing restriction shall not apply to the Chairman of the meeting issuing a vote as a result of proxies received pursuant to any legal requirement under Article L. 225-106 of the commercial code.

The voting right belongs to the life tenant in all General Annual, Extraordinary or Special Meetings.

Appropriation of income

The difference between earnings and expenses for the year, after provisions, is the profit or loss for the year. After any prior losses are deducted, five per cent is withheld from the profit to fund the legal reserve. Once the legal reserve reaches one tenth of the capital stock, this requirement will cease to apply. It resumes whenever, for any reason, the reserve drops below that percentage.

The distributable profit, which consists of the profit for the year, less any prior losses, and the amount withheld as described above, plus any retained earnings, is available to the General Shareholders' Meeting, which, on the recommendation of the board of directors, may, in all or in part, carry it forward, appropriate it to general or special reserve funds, or pay it out to the shareholders as dividends.

Furthermore, the Meeting may decide to distribute any sums withheld from optional reserves, either to pay out a dividend or to supplement dividend payments or as an exceptional distribution. In such case, the decision shall indicate expressly from which reserve line items the sums shall be withheld. However, priority is given to withholding funds for dividends from the distributable profit for the year.

For all or part of the dividends or interim dividends paid out, the Ordinary General Meeting has the option of giving shareholders a choice between payment of dividends and interim dividends in cash or in stock.

The General Shareholders' Meeting, or for interim dividends, the Board of Directors, determines the date from which dividends are paid.