

I M E R Y S

A French Limited Liability Company (Société Anonyme)
with a share capital of €158,971,388

Registered office: 43 quai de Grenelle
75015 Paris (France)

Paris trade register (R.C.S.) number 562 008 151

ARTICLES OF ASSOCIATION AND BY-LAWS

Updated on May 10, 2019

ARTICLES OF ASSOCIATION AND BY-LAWS drawn up by a deed executed before Mr. Dufour, notary public in Paris, on April 22, 1880, and modified by decisions of:

- the Extraordinary General Meetings of the Shareholders on:
January 18, 1882 - March 21, June 2, November 21 and December 22, 1883 –April 14, 1896 - November 19 and December 10, 1898 - June 7 and 30, 1902 - July 7, 1919 – February 25, 1920 - May 31 and July 26, 1926 - May 29 and August 2, 1929 - June 22, 1931 – April 25, 1934 - April 3, 1935 - January 22, 1936 - February 24, 1937 - May 7, May 26 and June 16, 1937 - May 3 and July 8, 1938 - November 27, 1939 - June 12, 1941 - July 20, 1944 - November 14, 1947 - June 23, 1950 - April 29, 1955 - September 20, 1957 – July 11, 1961 - November 16, 1965 - July 2, 1968 - June 17, 1969 - March 4, 1971 - June 15, 1972 - November 28, 1974 - July 8, 1980 - January 21, 1988 - June 30, 1998;
- the Ordinary General Meeting of the Shareholders on June 12, 1985;
- the Ordinary and Extraordinary General Meetings of the Shareholders on:
June 24, 1987 - December, 17, 1987 - June 15, 1989 - June 17, 1993 - June 14, 1995 – June 12, 1996 - May 7, 1998 – September 22, 1999 – May 6, 2002 – May 3, 2004 –May 3, 2005 – May 2, 2007 – April 29, 2014, May 3, 2017, May 4, 2018 and May 10, 2019;
- pursuant to the records made on January 25 and July 12, 1999 and January 11, 2000 by the Chief Executive Officer, pursuant to the delegations of the Supervisory Board and the Managing Board;
- by the decisions of the Managing Board adopted on March 6, 2000, January 8, 2001, January 21, 2002, January 7, 2003, January 7, 2004 and January 6, 2005;
- by the decision of the Supervisory Board adopted on July 26, 2004;
- by the decisions of the Chief Executive Officer adopted on December 21, 2006, January 9, 2009, June 2, 2009, January 11, 2010, January 10, 2011 and January 7, 2019;
- pursuant to the records made on January 18, 1995, January 17, 1996, January 9, 1997, January 8, 1998, January 11, 2007 and January 14, 2008 by the Chairman of the Board of Directors, pursuant to delegations by the Board of Directors;
- by the decisions of the Chairman and Chief Executive Officer adopted on January 10, 2012, January 7, 2013, January 10, 2014, January 7, 2015, January 7, 2016, January 5, 2017 and January 5, 2018;
- and by the resolutions of the Board of Directors meetings on:
February 8, 1946 - December 19, 1955 - October 26, 1960 - October 10, 1961 - March 6, 1962 - December 22, 1964 - December 22, 1966 - May 6, 1969 - December 13, 1977 – April 20, 1982 - February 25, 1988 - September 29, 1988 - January 10, 1989 - September 28, 1989 - February 8, 1990 - September 27, 1990 - January 10, 1991 - October 3, 1991 – January 16, 1992 - September 24, 1992 - February 11, 1993 - September 23, 1993 – January 20, 1994 - September 22, 1994 - January 17, 2006 - December 19, 2006 - December 18, 2007, December 18, 2008, April 27, 2009, April 29, 2010, December 16, 2010, December 14, 2011, December 12, 2013, December 11, 2014, February 26, 2015, December 15, 2015, December 15, 2016, July 26, 2017, December 13, 2017 and December 13, 2018.

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Article 1 FORM

The present Company is a Public Limited Company (Société Anonyme) with a Board of Directors. It is governed by current French law and by the present articles of association and by-laws.

Article 2 NAME

The Company is called “IMERYS”.

All instruments and documents issued by the Company and intended for third parties, including letters, invoices, announcements and sundry publications, shall indicate the company name which shall be immediately and legibly preceded or followed by the words "Société Anonyme" (Public Limited Company) and the amount of its share capital.

Article 3 PURPOSE

The Company's purpose, in France and abroad, is as follows:

- the search for, the acquisition, the leasing, the sale and the operation of any mines and quarries, of any kind whatsoever;
- the processing and transformation of, and trading in, any minerals, metals, organic or non-organic materials and mineral substances, as well as their by-products and alloys;
- the manufacturing of any processed products in which minerals, metals, organic or non-organic materials and mineral substances are used;
- the purchase, obtaining, operation, concession and sale, in whole or in part, on a temporary or permanent basis, of any patents, certificates or licenses pertaining to the above-mentioned purposes;
- the creation, acquisition, sale and concession of any buildings and plants, and of any means of transportation and energy sources;
- the participation, in any country, in any mining, quarrying, commercial, industrial and maritime operations aimed at favoring or developing the Company's own industries and businesses, through the creation of new companies, alliances, holding companies or otherwise; and, generally, any mining, quarrying, commercial, industrial, maritime, real estate, personal property and financial operations relating directly or indirectly, in whole or in part, to any of the above-specified purposes or any other similar or related purposes.”

Article 4 REGISTERED OFFICE

The registered office is located at 43 quai de Grenelle, 75015 Paris, France.

It may be transferred to any other place in the same town or in any neighboring département by decision of the Board of Directors, subject to ratification by the next Ordinary General Meeting of the Shareholders, and anywhere else pursuant to a decision by an Extraordinary General Meeting of the Shareholders.

The Board of Directors may set up branches, offices, agencies or representatives, in France or in any other country, wherever it sees fit, and close them as it sees fit.

When the transfer of the registered office is decided by the Board of Directors, it is authorized to amend the articles of association and by-laws accordingly.

Article 5 DURATION

The duration of the Company was originally set at fifty (50) years and has been extended until May 3, 2116.

It may be further extended or reduced by a decision of the Extraordinary General Meeting of the Shareholders, which may also decide to dissolve the Company in advance, as provided in Article 31 below.

PART II - SHARE CAPITAL - SHARES

Article 6 SHARE CAPITAL

The share capital is set at €158,971,388 and divided into 79,485,694 fully paid-in shares with a par value of €2 each.

Article 7 CHANGES TO THE SHARE CAPITAL

Share capital may be increased or reduced by a decision of the Extraordinary General Meeting of the Shareholders under the conditions provided by law, and subject to the provisions of Articles 25 and 26 below. The General Meeting may delegate all necessary powers to carry out such operations to the Board of Directors. The Board of Directors may in turn delegate the power to decide to carry out the issue, or to refrain therefrom, within the limits and according to the terms and conditions set down by the Board of Directors beforehand, to the Chief Executive Officer or, in agreement with him or her, to one or more delegate Chief Executive Officers.

Whenever it is necessary to own several shares in order to exercise any right whatsoever, such as in the event of a capital decrease for any reason and in any manner whatsoever, shareholders shall personally see to the regrouping and, as the case may be, the purchase or sale of the necessary number of shares or rights.

Article 8 PAYING-IN OF SHARES

At least one-quarter of the par value of the shares subscribed in cash must be paid in at the time of subscription, together with the full amount of the issue premium, if applicable.

The balance shall be paid in one or more installments no later than five (5) years after the date on which the capital increase became final, at the times and in the proportions decided by the Board of Directors. The shareholders shall be given at least fifteen days' advance notice of the fractions called in and the date on which the corresponding amounts are to be paid, either by a notice published in a gazette of legal notices for the area in which the registered office is located, or by registered letters sent to each shareholder.

The Company may arrange for the sale of any shares when the amounts due thereon have not been paid in, and the defaulting shareholder shall receive formal notice by registered letter, return receipt requested, in accordance with the applicable legal provisions. Any late payment with respect to the shares shall automatically result, without the need for prior notice, in the payment of interest in favor of the Company from the due date, calculated at the official rate applied in business, increased by three points.

In accordance with the applicable legal provisions, any shares for which amounts due have not been paid shall cease to entitle their holder to attend and vote at General Meetings of the Shareholders and shall not be taken into account when calculating the quorum. Such shares shall not be accepted for transfer. The right to dividends and the preferential rights to subscriptions or capital increases attached to said shares shall also be suspended.

In the event of a capital increase in cash recorded by the Board of Directors or by the corporate body benefiting from the delegation referred to in article 7 of the present articles of association and by-laws, the Board of Directors or the beneficiary of the delegation, as the case may be, shall be fully empowered to withdraw any amount it considers appropriate from the issue premium created by the payment of said capital increase or any previous capital increase and charge it to the legal reserve fund, for the amount that it considers appropriate, within the limit of 10% of the new share capital.

Article 9 FORM OF SHARES

Ownership of shares results from their registration in registered accounts, directly registered accounts or managed accounts, or as bearer shares, under the conditions and in accordance with the terms and conditions provided by law.

The Company may at any time ask the central depository of financial instruments, as the case may be, for the name, nationality, year of birth or year of incorporation and address of the holders of those securities which, whether immediately or in the future, entitle their holders to vote at its Shareholders' Meetings, and for the number of securities held by each of them and, as the case may be, any restrictions on such securities.

Share transfers involving third parties and the Company shall be carried out by account-to-account transfer, on the basis of a share transfer certificate signed by the holder or by his, her or its authorized representative.

Article 10 RIGHTS ATTACHED TO SHARES

Ownership of share automatically entails acceptance of the articles of association and by-laws and the decisions of the General Meetings of Shareholders.

Attached to each share is the right to attend General Meetings of the Shareholders and vote on resolutions, in accordance with the conditions provided by law and these articles of association and by-laws.

Each share gives the right to a share of the corporate assets and profits in an amount proportionate to the number of existing shares, taking into account the par value of shares and the rights attached to shares of different classes.

All shares comprising or which may comprise the share capital shall be treated equally as regards tax liabilities. Consequently, all taxes and levies that may fall due for any reason whatsoever, in the event of redemption of the capital, either during the Company's life or upon its liquidation, shall be equally shared out among the shares comprising the capital, in such a way that the net amount allocated to each share is always the same, but taking into account the par value of each share.

Shareholders shall only be held liable for Company losses up to the amount of their contribution.

Dividends shall be paid to the holder of the share account, in accordance with the law.

Article 11 INDIVISIBILITY OF SHARES

Shares shall be indivisible with respect to the Company. Joint owners of undivided shares shall be represented in dealings with the Company by one of their number or by a joint representative.

The heirs, representatives or creditors of a shareholder shall not be entitled on any grounds whatsoever to demand that the Company's assets and valuables be placed under seal or that measures be taken in connection therewith. They may not demand the partition or sale by auction thereof, nor may they interfere in any way in the management of the Company. They shall rely on the Company's statements of assets and liabilities and the decisions of the General Meetings of Shareholders.

PART III – MANAGEMENT, SUPERVISION AND CONTROL OF THE COMPANY

Article 12 COMPOSITION OF THE BOARD OF DIRECTORS

The Company is managed by a Board of Directors of at least three (3) members and no more than eighteen (18) members, except for any dispensation provided by law.

In accordance with legal provisions, the Board of Directors shall also comprise one (1) Director representing employees who is designated by the European Works Council. When the number of Directors appointed by the Shareholders' General Meeting is higher than twelve (12), a second Director representing employees shall be designated by the France Group Committee.

The term of office of Directors representing employees shall be three (3) years.

In the event that the number of Directors appointed by the Shareholders' General Meeting falls to twelve (12) or less, the second Director representing employees shall remain in office until his/her term expires.

Each Director shall own at least one hundred (100) shares for the entire duration of his or her term of office. If, on the day of his or her appointment, a Director does not own the required number of shares or if, during his or her term of office, he or she ceases to own said number, he or she shall be deemed to have resigned if he or she does not remedy this situation within the term provided by the applicable regulations.

By exception, Directors representing employees shall not be required to hold a minimum number of shares.

In accordance with legal provisions, the number of Directors over the age of seventy (70) may not be greater than one-third of all Directors in office. In the event that this limit should be exceeded, the oldest Director shall automatically be deemed to have resigned.

The Directors may be natural persons or legal entities. Legal entity Directors shall, on their appointment, appoint a natural person to act as their permanent representative who shall be subject to the same conditions and obligations and shall have the same liabilities as if he or she were a Director in his or her own name, without prejudice to the joint and several liability of the legal entity that he or she represents. The term of this office as permanent representative shall be the same as that of the legal entity that he or she represents and must be renewed on the same dates.

If a legal entity dismisses its representative, it shall notify such dismissal and the identity of its new permanent representative to the Company without delay by registered letter, return receipt requested. The same shall apply in the event of the death, resignation or extended impediment of the permanent representative.

If the number of Directors falls below the legal minimum, the remaining Directors must immediately call an Ordinary General Meeting of the Shareholders in order to raise the number to said minimum.

Article 13 APPOINTMENT – TERMS OF OFFICE – RENEWABILITY

Directors are appointed or renewed by the Ordinary General Meeting of the Shareholders, which may dismiss them at any time. The term of office of the Directors is three (3) years. The term of office of a Director shall expire at the close of the Ordinary General Meeting of the Shareholders that rules on the financial statements for the previous financial year which is held in the year in which the term of office expires.

The Directors may be re-elected indefinitely, subject to the provisions concerning the age limit.

As from the appointment of the first members of the Board of Directors, one-third of the Board of Directors shall be renewed by the Annual General Meeting of the Shareholders every year. The duration of the first term of office of a Director may be set for less than three (3) years by the Shareholders' General Meeting in order to take into the effect of the one-third renewal of the Board of Directors.

If one or more seats on the Board of Directors fall vacant because of death or resignation, the Board may, between two General Meetings, make provisional appointments. It shall do so in order to make up its number, within three (3) months of the date of vacancy, whenever the number of Directors falls below the minimum set by the by-laws, without however falling below the legal minimum. The term of office of the provisionally appointed Director shall end on the date of expiry of the term of office of the Director thus replaced.

The appointments thus made by the Board shall be subject to ratification at the next Ordinary General Meeting of the Shareholders. Failing ratification, the decisions made and acts carried out previously by the Board of Directors shall nevertheless remain valid.

Article 14 ORGANIZATION OF THE BOARD OF DIRECTORS

The Board of Directors shall appoint one of its natural person members as its Chairman, whose remuneration, which may be either fixed or proportional, it shall determine. The Chairman shall be appointed for a duration that may not exceed the duration of his or her term of office as Director. He or she may be re-elected.

No person aged eighty (80) or over may be appointed Chairman or Vice-Chairman.

The Chairman of the Board of Directors organizes and supervises the work of the Board, on which he or she reports to the General Meeting of the Shareholders. He or she ensures that the Company's bodies function correctly and makes sure, in particular, that the Directors are able to perform their duties. Every year, he or she shall draw up a report on the conditions under which the Board's work is prepared and organized, and on the risk management and internal control procedures set up by the Company, as well as on any other subject that would be expressly required by the law. This report shall be attached to the management report drawn up by the Board of Directors, as described in article 29 of the present articles of association and by-laws.

The Board of Directors may elect one or more Vice-Chairmen from among its members. It shall set the duration of their terms of office, which may not exceed the duration of the terms of office of the Directors in question.

Regardless of the period for which they are assigned, the offices of the Chairman and those of the Vice-Chairman or Vice-Chairmen of the Board of Directors shall end ipso jure following the Shareholders' General Meeting called to rule on the financial statements for the financial year during he, she or they reach the age of eighty (80).

The Board of Directors may dismiss the Chairman and any Vice-Chairmen at any time.

The Board of Directors shall appoint a secretary who may be chosen from among or outside its members. If the secretary is not a Director, he or she may not take part in voting at Board of Directors meetings.

The Board of Directors may appoint one or more observer(s), who may or may not be shareholders and who may not exceed two (2) in number. Any observer is appointed for a renewable period of three (3) years; he/she may be dismissed at any time by the Board of Directors. Any observer reaching the age of eighty (80) is automatically deemed to have resigned.

The observer(s) attend(s) the meetings of the Board of Directors and take(s) part in debates on an advisory basis. The Board of Directors may also appoint them as members of Specialized Committees.

The Board of Directors sets down the arrangements for the compensation of the observer(s), to be taken from the amount of attendance fees granted by the Shareholders' General Meeting.

Article 15 WORKINGS OF THE BOARD OF DIRECTORS

The Board of Directors shall meet as and when the interests of the Company require. Meetings shall be called by the Chairman, the Secretary of the Board or one of the Vice-Chairmen, at the registered office or at any other place indicated in the notice of meeting. Meetings shall be called by any means, even verbally.

If it has not met for more than two (2) months, at least one-third of the Board of Directors may request that the Chairman call a meeting of the Board of Directors on a defined agenda. The Chief Executive Officer may also request that the Board of Directors meet on a defined agenda. The Chairman is bound by the requests thus made to him. Should the Chairman fail to fulfill such requests, the group of Directors or the Chief Executive Officer shall have the authority to call a meeting of the Board of Directors and set the agenda for such meeting.

The Statutory Auditors must be called to the Board of Directors meetings that examine or close the annual or interim financial statements. The Statutory Auditors shall be called to attend such meetings by registered letter, return receipt requested, with the same conditions in terms of advance notice as for the calling the Directors to meetings.

The Board of Directors cannot validly deliberate unless at least half of the Directors are in attendance. Decisions are made by the majority of the members that are in attendance or represented. In the event of a split vote, the Chairman of the meeting shall have the casting vote.

The meetings of the Board of Directors may take place either at the registered office or in any other place indicated in the notice of meeting, and by videoconferencing or telecommunication, in the conditions provided by applicable regulations. They are chaired by the Chairman of the Board or, failing that, by one of the Vice-Chairmen or any attending member designated for that purpose by the Board of Directors. The members of the Board of Directors may have themselves represented at any meeting by one of their colleagues through proxy given by letter, fax or any other means of telecommunication, in the conditions provided by the law.

A member of the Board of Directors may not represent more than one of his or her colleagues at a particular meeting. Directors taking part by videoconference are considered in attendance as regards the calculation of quorum for the meeting and of the majority of votes for resolutions.

An attendance register shall be kept. Minutes shall be drawn up in accordance with the law. Any non-member of the Board of Directors, particularly the Chief Executive Officer, may be invited to take part in all or part of the Board's meetings, on the initiative of the Chairman of the Board of Directors.

The Directors, and any other person called to attend the meetings of the Board of Directors, shall refrain from disclosing any information of a confidential nature which is given as such by the Chairman of the Board of Directors.

Article 16 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors lays down the orientations of the Company's business and ensures that they are implemented.

Within the limits of the corporate purpose and subject solely to the powers expressly given by law to General Meetings of Shareholders, the Board of Directors shall take up any question concerning the correct running of the Company, and settles by its deliberations the matters that concern the Company.

The decisions of the Board of Directors are performed by the Chief Executive Officer or one of the delegate Chief Executive Officers or by any special delegates designated by the Board.

Furthermore, the Board may give any of its members or any third party, whether or not a shareholder, any special office to one or more determined purposes, with or without the possibility for such officers in turn to substitute or sub-delegate, in whole or in part.

The Board may decide to create Committees in charge of examining the questions that the Board or its Chairman submits to their examination for opinion.

The Board determines the compensation and allowances, whether fixed, proportional or both, of the Chairman of the Board of Directors and of any person temporarily delegated to the duties of the Chairman, Chief Executive Officer, or of any Delegate Chief Executive Officers, of any other officers or persons with an assignment or who are part of the Committees provided for in the previous paragraph, all of which shall be charged to general expenses, subject to compliance with legal provisions.

In its relations with third parties, the Company is bound even by those acts of the Board of Directors that do not come under the corporate purpose, unless it proves that the third party knew that the act did not come under said purpose or that it could not fail to know this, given the circumstances, while the sole publication of the articles of association and by-laws cannot be sufficient to constitute such proof.

The Board of Directors carries out the checks and controls it judges appropriate. It may demand any documents that it judges useful to the performance of its mission. The Chairman or the Chief Executive Officer of the Company must provide each Director with all the documents and information needed to carry out its mission.

Article 17 COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

The Directors shall receive as remuneration for their activity a fixed and/or proportional sum as attendance fees, the maximum amount of which shall be determined by the General Meeting of the Shareholders and shall be maintained until a decision to the contrary is made.

The Board shall allocate the amount of attendance fees freely among its members.

In particular, the Board may allocate a greater share to the Directors that are members of the Committees.

It may also allocate exceptional remunerations for any assignments or offices given to Directors. Such remunerations shall be subject to the legal provisions relating to agreements subject to the prior authorization of the Board of Directors.

Article 18 GENERAL MANAGEMENT

The general management of the Company shall be the responsibility either of the Chairman of the Board of Directors, who then has the title of Chairman and Chief Executive Officer, or by another natural person, who may or be not be a Director and/or a Shareholder, who is appointed by the Board of Directors and has the title of Chief Executive Officer. If the general management of the Company is the responsibility of the Chairman of the Board of Directors, the provisions of the articles of association and by-laws relating to the Chief Executive Officer are applicable to him or her.

The Board of Directors shall choose between the two methods for general management in the conditions set forth in article 15 of the articles of association and by-laws. Shareholders and third parties shall be informed of such decision in accordance with the law.

A change of general management methods does not entail any amendment to the articles of association and by-laws.

The Chief Executive Officer or the Chairman of the Board of Directors, if the latter assumes the duties of Chief Executive Officer, has the widest powers to act in all circumstances in the name of the Company, within the limits of the corporate purpose and subject to the powers that the law expressly gives to the General Meetings of Shareholders and to the Board of Directors; he or she shall represent the Company with regard to third parties.

The Board of Directors may limit the powers of the Chief Executive Officer, but such limitation is void against third parties.

On the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Delegate Chief Executive Officer. The maximum number of Delegate Chief Executive Officers is set at five (5).

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of the powers given to the Delegate Chief Executive Officers. With respect to third parties, the Delegate Chief Executive Officers shall have the same powers as the Chief Executive Officer. The Board of Directors may limit the powers of the Delegate Chief Executive Officers but such limitation is void with respect to third parties.

The Chief Executive Officer or the Delegate Chief Executive Officers may, within the limits set by the legislation in force, delegate the powers that they judge fit, for one or more defined purposes, to any representatives, even outside the Company, whether taken individually or grouped together in a committee or commission. These powers may be permanent or temporary and may or may not include the possibility of substitution. The delegations thus granted shall remain in full effect despite the expiry of the term of office of the person who granted them.

No person aged seventy (70) or over may be appointed Chief Executive Officer or Delegate Chief Executive Officer. If the Chief Executive Officer or Delegate Chief Executive Officer reaches said age, he or she shall be deemed to have automatically resigned on the date of the first Board of Directors Meeting after his or her 70th birthday.

The Board of Directors shall determine the remuneration of the Chief Executive Officer and of the Delegate Chief Executive Officers. Such remuneration may be fixed and/or proportional.

The terms of office of the Chief Executive Officer and the Delegate Chief Executive Officers shall be freely determined by the Board of Directors without exceeding the duration of their terms of office as Directors, as the case may be.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. The same applies, on proposal of the Chief Executive Officer, to the Delegate Chief Executive Officers. If it is decided that the dismissal is unfair, it may give rise to damages, except when the Chief Executive Officer has the position of Chairman of the Board of Directors.

If the Chief Executive Officer ceases to perform his duties or is prevented from doing so, the Delegate Chief Executive Officers shall retain their duties and attributions, unless the Board decides otherwise, until a new Chief Executive Officer is appointed.

In accordance with applicable regulations, the Chief Executive Officer, or the Chairman of the Board of Directors if he or she performs the duties of Chief Executive Officer, may validly delegate to any person of his or her choice the power to represent the Company with respect to any criminal lawsuits that may be brought against it.

Article 19 REGULATED AND PROHIBITED AGREEMENTS

Any agreement, whether direct or via an intermediary, between the Company and its Chief Executive Officer, any of its Delegate Chief Executive Officers, any of its Directors, any of its shareholders with a share of voting rights greater than the threshold provided by the regulations in force or, in the case of a shareholding company, the company controlling it in the sense of article L. 233-3 of the French Code of Commerce, shall be subject to the prior authorization of the Board of Directors.

The same applies to agreements in which any of the above-mentioned persons is involved.

Agreements between the Company and another company are also subject to the prior authorization of the Board of Directors, if the Chief Executive Officer, one of the Delegate Chief Executive Officers or one of the Directors of the Company is an owner, partner with unlimited liability, manager, director or member of the Supervisory Board or, in general, runs such company.

The person in question shall inform the Board as soon as he or she becomes aware of an agreement that requires authorization. He or she may not take part in the vote on the requested authorization.

The Chairman of the Board of Directors shall notify the Statutory Auditors of all authorized agreements and shall submit such agreements to the approval of the General Meeting of the Shareholders.

Under penalty of making the contract null and void, the Directors other than legal entities are prohibited from taking out borrowings in any form whatsoever with the Company, having the Company grant them an overdraft, a current or other account, or having the Company guarantee or stand surety with third parties for their commitments.

The same prohibition applies to the Chief Executive Officer, to the Delegate Chief Executive Officers and to the permanent representative of the legal entity Directors. It also applies to the spouses, ancestors and descendants of the above-mentioned persons, and to any intermediary.

Article 20 STATUTORY AUDITORS

The General Meeting of the Shareholders shall appoint the Statutory Auditors in accordance with the law.

Under the conditions defined by law, the Statutory Auditors may be removed from office by the courts, which shall appoint their replacements. The latter shall remain in office until those Statutory Auditors appointed by the General Meeting take up office.

The Statutory Auditors may be re-elected without limitation.

The Statutory Auditors shall be convened to those meetings of the Board of Directors which vote on the corporate and consolidated financial statements, and to all General Meetings of the Shareholders.

PART IV – GENERAL MEETINGS OF SHAREHOLDERS

CHAPTER I – GENERAL PROVISIONS

Article 21 EFFECT OF DECISIONS – CALLING OF MEETINGS – ATTENDANCE

Effect of decisions

When duly formed, the General Meeting shall represent all the shareholders. All its decisions made in accordance with the law and the articles of association and by-laws shall be binding on all shareholders, even those who did not attend or were legally disqualified or in disagreement.

Calling of meetings

All the shareholders, regardless of the number of shares they hold, shall meet at an Ordinary General Meeting once a year, no later than six (6) months after the close of the financial year.

Ordinary General Meetings of the Shareholders held in special session or Extraordinary General Meetings of the Shareholders may also be held at any other time during the year.

General Meetings shall be called by the Board of Directors and shall be held at the registered office or any other place indicated in the notice of meeting. Failing that, they may also be called:

- by the Statutory Auditors under the conditions set forth by the applicable regulations;
- by a representative appointed by the courts following an application by any interested party or the works council if the matter is urgent, or by one or more shareholders representing the percentage of capital required by the applicable regulations, or by any group of shareholders which complies with the conditions provided by law.

Attendance

The right to take part in Shareholders' Meetings is subject to the shares being recorded in accounts, in the conditions and timeframe set by applicable law and regulations, in the name of the shareholder or the intermediary registered on the shareholder's behalf, either in the registered security accounts kept by the Company or in the bearer security accounts kept by the authorized intermediary.

The registration or recording of the shares in the bearer security accounts kept by the authorized intermediary is acknowledged by a certificate of holding issued by said intermediary, as the case may be, by electronic means, in the conditions provided by law and delivered in the place and times indicated in the notice of meeting.

Registration or recording in accounts gives the right to receive an admission card to shareholders wishing to take part in the Meeting. Such participation and voting in Meetings may, by decision of the Board of Directors, take place by videoconference and/or any other means of telecommunication, in the conditions provided by law.

A certificate is also issued to any shareholders wishing to take part in the Meeting in person that did not receive an admission card in the time provided by law.

Shareholders may be represented at Shareholders' General Meetings under the conditions set down by the applicable regulations. Shareholders may also take part and vote in Meetings by sending a proxy or postal vote form, either in paper form or, on the decision of the Board of Directors, by electronic data transmission and/or any other means of telecommunications, in the time limits and conditions provided by law.

When the shareholder has voted by correspondence, sent in a proxy or requested an admission card or a certificate of holding, he or she may no longer choose any other method of participation at the Meeting.

A shareholder who has already voted by correspondence, sent in a proxy or requested an admission card or a certificate of holding may dispose of all or part of his or her shares at any time. However, no disposal or any other transaction made outside the timeframe set by law shall be notified by the authorized intermediary or taken into consideration by the Company.

The holders of any shares for which all amounts payable have not been paid in within thirty (30) days of the formal notice given by the Company shall not be admitted to Meetings. Such shares shall not be taken into consideration when calculating the quorum.

Article 22 ORGANIZATION OF GENERAL MEETINGS

The Board of Directors may decide to broadcast the Meetings in their entirety by videoconference and/or any other means of telecommunications, under the conditions provided by law.

Each member of the Meeting has as many votes as the number of shares he, she or it owns or represents, subject to those provisions applicable to formative General Meetings.

However, a double voting right is conferred upon all shares which have been fully paid in and for which proof has been given that they have been registered in a registered account in the name of the same shareholder for at least two (2) years.

In the event of a capital increase by means of the capitalization of reserves, profits or issue premiums, any shares registered in a registered account and allocated free of charge to any shareholder for existing shares which already have double voting rights shall also have double voting rights attached as from their issue.

The double voting right shall automatically cease for any share that is registered as a bearer share or transferred and shall only be regained when the new owner has registered said share in a registered account in his, her or its own name for at least two (2) years. Nevertheless, such period shall not be interrupted and any rights acquired shall be retained when a registered share is transferred and retains the registered form following an intestate or testate succession, a division of the marital community of property, or an *inter vivos* donation in favor of a spouse or a relative entitled to inherit.

The list of registered shares entitled to double voting rights shall be drawn up by the officers of the Meeting.

General Meetings shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by a Director or one of the Vice-Chairmen designated for this purpose by the Board of Directors. Failing that, the Meeting shall elect its own Chairman.

The agenda shall in principle be fixed by the person calling the meeting. However, one or more shareholders representing the percentage of capital required by the applicable regulations or a group of shareholders complying with the conditions provided by law shall be entitled to request the inclusion of any items or draft resolutions on the agenda.

The two members of the General Meeting present who hold the largest number of shares and who accept such duties shall act as tellers.

The officers of the Meeting shall appoint a secretary, who does not need to be a shareholder.

An attendance sheet duly signed by the persons attending the meeting shall be kept. It shall indicate, as the case may be, which shareholders attend the Meeting by data transmission and/or any other means of telecommunication, under the conditions provided by law, and shall be certified exact by the officers of the Meeting.

Decisions shall be recorded in minutes kept in a special minute-book, with initialed and numbered pages, which shall be kept at the registered office, or on uninterrupted, numbered and initialed loose sheets.

Such minutes shall be signed by the officers of the Meeting. Copies or excerpts shall be validly certified by the Chairman of the Board of Directors or the Chief Executive Officer if he or she is a Director, or by the secretary of the Meeting.

CHAPTER II – ORDINARY GENERAL MEETINGS OF THE SHAREHOLDERS

Article 23 POWERS

The Annual Ordinary General Meeting of the Shareholders shall take note of the corporate and consolidated financial statements, the management report for the Company and the Group, the general and special reports by the Statutory Auditors on the corporate financial statements, and their report on the consolidated financial statements.

The General Meeting shall discuss, approve, correct or reject the corporate financial statements and fix the dividend to be distributed and the profits or losses to be carried forward.

It shall decide whether to create any reserve funds.

It shall fix the amounts to be withdrawn from them and rule on the distribution thereof.

It shall determine the amount of attendance fees.

It shall appoint, replace, re-elect or remove from office the members of the Board of Directors and shall ratify their provisional appointments by the Board of Directors.

It shall deliberate on any issues which do not fall within the exclusive scope of the Extraordinary General Meeting of the Shareholders.

Article 24 QUORUM AND MAJORITY

When first called, the Ordinary General Meeting of the Shareholders, may only deliberate validly if the shareholders present, including, as the case may be, by data transmission and/or any other means of telecommunication under the conditions provided by law, or represented hold the minimum percentage of shares with voting rights required by the applicable regulations. When called a second time, decisions shall be valid irrespective of the number of shares represented. Decisions shall be made by a majority of votes held by the shareholders present, including, as the case may be, by data transmission and/or any other means of telecommunication under the conditions provided by law, or represented.

CHAPTER III – EXTRAORDINARY GENERAL MEETINGS

Article 25 POWERS

Other than for the distribution of a dividend as shares, which falls within the capacity of the Ordinary General Meeting of the Shareholders, the Extraordinary General Meeting of the Shareholders may amend any provisions of the articles of association and by-laws. It may also decide to transform the Company into a company with any other form, in accordance with legal and regulatory conditions.

It may not under any circumstances increase the commitments of the shareholders, increase their commitments or alter their equality of rights, unless the shareholders unanimously approve such decision.

Article 26 QUORUM AND MAJORITY

The Extraordinary General Meeting of the Shareholders may only deliberate validly if the shareholders present, including, as the case may be, by data transmission and/or any other means of telecommunication under the conditions provided by law, or represented hold, on first or second call, the minimum percentage of shares with voting rights required by the applicable regulations.

Decisions shall be made by a two-thirds majority of the votes held by the shareholders present, including, as the case may be, by data transmission and/or any other means of telecommunication under the conditions provided by law, or represented.

By way of a legal exception to the above, when the meeting is called to decide upon or to authorize the Board of Directors to carry out a capital increase by the capitalization of reserves, profits or issue premiums, the required quorum and majority shall be those of the Ordinary Shareholders' General Meetings.

A capital increase by raising the par value of shares to be paid in cash or by set-off must be decided unanimously by the shareholders holding all the shares comprising the capital.

CHAPTER IV – FORMATIVE GENERAL MEETINGS

Article 27 QUORUM AND MAJORITY

Formative General Meetings of the Shareholders ruling on any contribution in kind or the granting of any special benefit shall validly deliberate in accordance with the quorum and majority conditions provided for Extraordinary General Meetings of the Shareholders in the previous article.

The contributor or beneficiary of any special benefit shall not take part in the voting himself or herself, or as a representative. His or her shares shall not be taken into account when calculating the majority.

PART V – CORPORATE FINANCIAL STATEMENTS

Article 28 FINANCIAL YEAR

The financial year shall begin on January 1 and end on December 31.

Article 29 FINANCIAL DOCUMENTS

At the close of each financial year, the Board of Directors shall draw up the corporate accounts and the management report. It shall also examine the consolidated financial statements and the Group management report, in accordance with the law.

The corporate and consolidated financial statements, as drawn up by the Board of Directors, shall be communicated to the shareholders in the forms and within the deadlines provided by law. They shall be submitted to the Annual General Meeting of the Shareholders in accordance with the legal and regulatory provisions in force.

Article 30 PROFITS

The profits for the financial year shall consist of the difference between the income and the expenditure for the financial year, including all allowances for amortization, depreciation and provisions.

At least 5% shall be withdrawn from the profit for the financial year, less any prior losses, to form the legal reserve fund. Said withdrawal shall cease to be mandatory when the reserve fund corresponds to one-tenth (1/10th) of the share capital.

The profit for the financial year,

- less those amounts described in the previous paragraph, and plus any profits carried forward,
- less those amounts carried forward by said General Meeting or charged by it to one or more reserve funds,

shall be equally divided between the shares.

Moreover, the General Meeting of the Shareholders may decide to distribute any amounts withdrawn from the reserves at its disposal. In this case, the decision shall expressly indicate the reserve funds from which the amounts shall be withdrawn

Terms and conditions of payment of the dividends voted by the General Meeting of the Shareholders shall be determined by it or, failing that, by the Board of Directors.

The General Meeting of the Shareholders may grant each shareholder, for all or part of any dividend or pre-paid dividend distributed, the option of receiving payment of the dividend in cash or in shares, in accordance with the legal and regulatory provisions.

Payment of dividends shall take place before the deadline fixed by law.

The Board of Directors may decide to prepay a dividend and to fix the amount and the date of distribution thereof.

PART VI – DISSOLUTION – EXTENSION – LIQUIDATION – DISPUTE

Article 31 EARLY DISSOLUTION - EXTENSION

The Extraordinary General Meeting of the Shareholders may decide at any time on the early dissolution of the Company.

At least one year before the end of the duration of the Company, the Board of Directors must call an Extraordinary General Meeting of the Shareholders in order to decide whether the duration of the Company should be extended.

Article 32 LOSS OF HALF THE SHARE CAPITAL

If, due to losses recorded in the financial documents, the Company's net equity falls below half the amount of the share capital, the Board of Directors must call an Extraordinary General Meeting of the Shareholders within four (4) months of the approval of the accounts which showed said losses, in order to decide whether the Company should be dissolved in advance.

If it is not decided to dissolve the Company, then the Company must reduce its capital by an amount at least equal to the amount of the recorded losses, by no later than the close of the second financial year following the financial year in which the losses were recorded, if the net equity has not been built up to an amount at least equal to half the share capital by said date.

In both cases, the decision of the General Meeting of the Shareholders shall be published in accordance with the regulatory conditions.

In the event that the requirements of one or more of the above paragraphs are not respected, any interested party may apply to the courts for the dissolution of the Company. The same shall apply if the shareholders were unable to validly deliberate.

However, the courts may not order the dissolution if the situation has been remedied on the date on which they rule on the case.

Article 33 LIQUIDATION

Upon the expiration of the Company or in the event of its early dissolution, the General Meeting of the Shareholders shall decide on the method of liquidation, appoint one or more liquidators and determine their powers.

The appointment of the liquidators shall bring about the termination of the duties of the management and supervision bodies.

The dissolution of the Company and the appointment of the liquidators shall not bring about the termination of the duties of the Statutory Auditors.

Throughout the liquidation process, the General Meeting of the Shareholders shall retain all its powers.

The net proceeds from the liquidation, after settlement of the liabilities, shall initially be used to repay the amounts paid in on shares and not redeemed; the surplus shall be distributed among all the shares.

The shareholders shall be called to a meeting at the end of the liquidation process in order to rule on the final accounts, give discharge to the liquidators for their management and relieve them of their duties, and record the close of liquidation proceedings. Notice of this shall be published in accordance with the law.

Article 34 DISPUTES – ELECTION OF DOMICILE

Any disputes concerning corporate business which may arise during the existence of the Company or upon its liquidation, whether between the shareholders and the Company or between the shareholders themselves, shall be referred to the courts having jurisdiction for the area in which the registered office is located.

For this purpose, all shareholders shall elect domicile within the jurisdiction of the registered office and all writs and instruments shall be properly served to said place of domicile.

If domicile is not duly elected, writs and instruments shall be validly served to the Public Prosecutor’s Office (*Parquet*) at the District Court (*Tribunal de Grande Instance*) having jurisdiction for the area in which the registered office is located.
