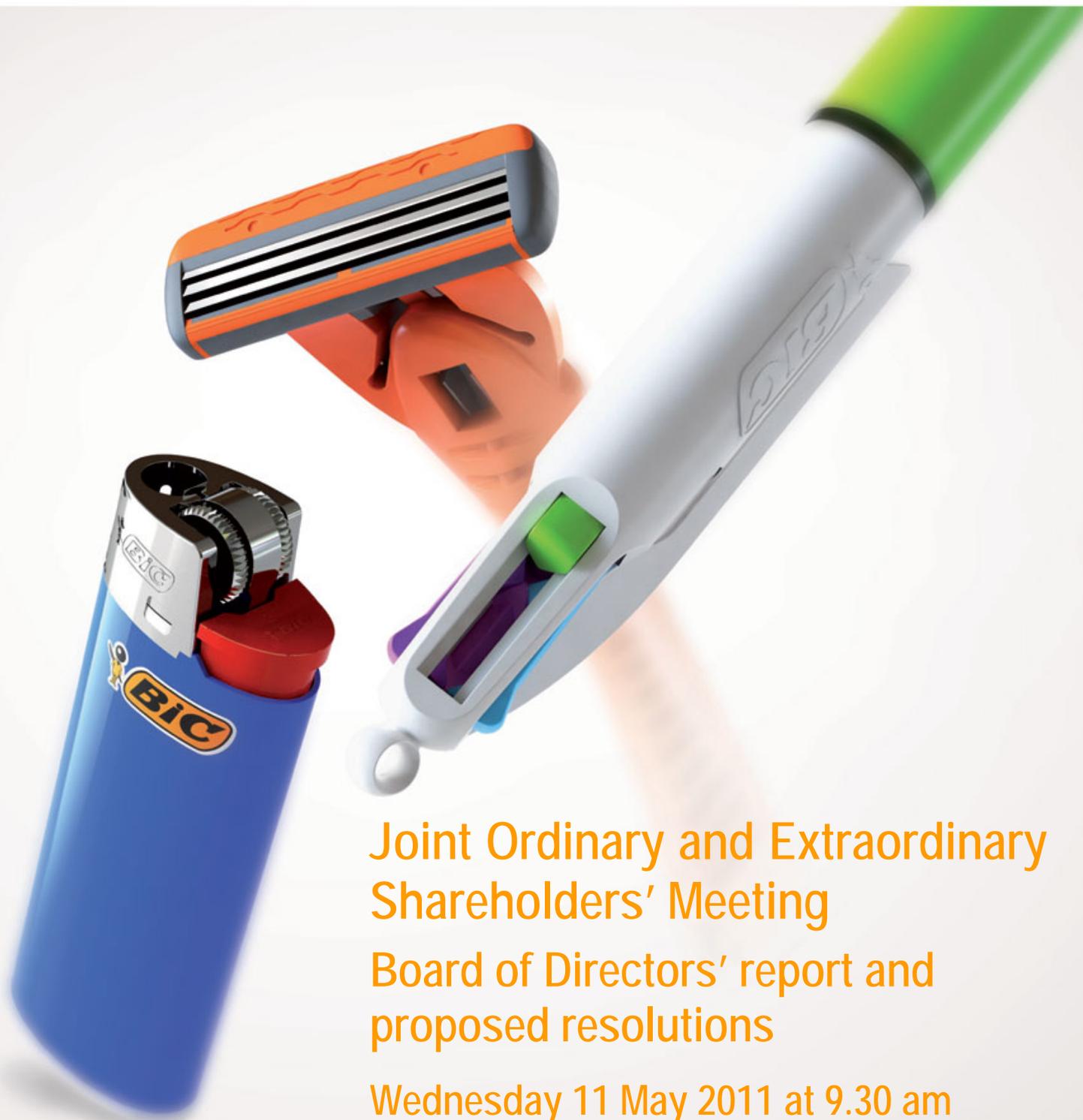


# BIC'ween us



## Joint Ordinary and Extraordinary Shareholders' Meeting

Board of Directors' report and proposed resolutions

Wednesday 11 May 2011 at 9.30 am  
14, rue Jeanne d'Asnières  
92110 Clichy - France





## ORDINARY SHAREHOLDERS' MEETING

### PROPOSED RESOLUTIONS 1 TO 3 – APPROVAL OF THE FINANCIAL STATEMENTS APPROPRIATION OF EARNINGS – DIVIDENDS

#### Board of Directors' report:

By voting on the first and second resolutions, we ask you to approve the annual and consolidated financial statements of the fiscal year ending December 31, 2010.

The purpose of the third resolution is to allocate the net income of the fiscal year 2010 and to set the dividend.

We propose you the distribution of a total dividend of 91,676,616.90 euros corresponding to a dividend per share of 1.90 euro. This is a gross amount excluding social charges (currently 12.3% for individuals whose tax domicile is in France). It will be paid as from May 25, 2011. If the number of shares carrying rights to the dividend exceeds 48,250,851, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be determined on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to Article 158-3 of this Code, to the French tax resident individuals as far as they do not choose the final levy provided by Article 117 *quater* of this Code.

We remind you that the dividends paid during the last three years (income eligible for the tax allowance granted according to Article 158-3 of French Tax Code) amount to:

- 1.35 euro for fiscal years 2007 and 2008;
- 2.40 euros (including an exceptional dividend of 1 euro) for fiscal year 2009.

#### Proposed resolution 1 - Approval of the Statutory Accounts of the Fiscal Year 2010

The Shareholders, after having considered the reports of the Board of Directors, of the Chairman of the Board of Directors and of the Statutory Auditors and having heard the additional explanations given during the meeting, approve the annual financial statements of the fiscal year ending December 31, 2010. They also approve all the transactions presented in these accounts or summarized in these reports.

#### Proposed resolution 2 - Approval of the Consolidated Financial Statements of the Fiscal Year 2010

The Shareholders after having considered the reports of the Board of Directors, of the Chairman of the Board of Directors and of the Statutory Auditors and having heard the additional explanations given during the meeting, approve the consolidated financial statements of the fiscal year ending December 31, 2010. They also approve all the transactions presented in these accounts or summarized in these reports.



### Proposed resolution 3 - Appropriation of Earnings – Dividends

The Shareholders set total net income after tax for the fiscal year ending December 31, 2010 at 168,009,123.76 euros and decide to allocate this amount in the following manner:

Net income for 2010	168,009,123.76 euros
<u>To add:</u>	
- Retained earnings before appropriation of earnings	<u>264,091,051.99 euros</u>
Total of distributable income	432,100,175.75 euros

#### Appropriation of earnings :

- Dividends (except the shares held by the Company)	91,676,616.90 euros
- Retained earnings after appropriation of earnings	<u>340,423,558.85 euros</u>
Total equal to distributable income	432,100,175.75 euros

The amount of the dividends for the fiscal year ending December 31, 2010 will be 91,676,616.90 euros corresponding to a dividend per share of 1.90 euro. This is a gross amount excluding social charges. It will be paid as from May 25, 2011. If the number of shares carrying rights to the dividend exceeds 48,250,851, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be adjusted on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to Article 158-3 of this Code, to the French tax resident individuals as far as they do not choose the final levy provided by Article 117 quater of this Code.

In accordance with the law, we remind you that the following dividends were distributed during the last three years:

Fiscal Year	Number of shares	Dividend per share	Dividend entitled to the tax allowance defined in art. 158-3 of the CGI <sup>(b)</sup>
2007	48,514,987	1.35 €	1.35 €
2008	48,198,857	1.35 €	1.35 €
2009	48,563,442	2.40 € <sup>(a)</sup>	2.40 €

(a) Including 1 euro of exceptional dividend.

(b) French Tax Code (CGI).



## PROPOSED RESOLUTION 4 – DIRECTORS’ FEES

### Board of Directors’ report:

It is proposed to set the amount of the Directors’ fees to be allocated to the Board of Directors for fiscal year 2011 to 297,000 euros, which represents an increase of 10% compared with the package voted by the Shareholders for fiscal year 2010 (270,000 euros).

Indeed, after an analysis of SBF 120 companies’ practices, it appears that the BIC Group Directors’ fees are below the average of the SBF 120 individual Director’s fee.

### Proposed resolution 4 – Directors’ Fees

The Shareholders decide to set the annual amount of the Directors’ fees to be allocated to the Board of Directors for the fiscal year 2011 at 297,000 euros.

## PROPOSED RESOLUTION 5 – AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO UNDERTAKE OPERATIONS WITH REGARDS TO THE SHARES OF THE COMPANY

### Board of Directors’ report:

We propose you to authorize the Board of Directors to acquire by any means, once or several times, the shares of the Company in accordance with the legislation in force.

This authorization may not be used during public offers of the Company’s shares, except with the prior and express authorization given by the Shareholders.

The Company would be authorized, during a period of 18 months, to acquire its own shares, and for a maximum price per share of 85 euros:

- within the limit of 10% of the share capital on the date of the Board of Directors’ decision to acquire the shares and for a maximum amount of 410 million euros. This authorization would be used to fulfill the following objectives:
  - ↳ provide liquidity in the securities market pursuant to a liquidity agreement managed by an external service provider,
  - ↳ allow their subsequent remittance as payment, exchange or otherwise, within the scope of external growth operations (with the exception of mergers, demergers or contribution operation mentioned below),
  - ↳ remit the shares at the moment of the exercise of rights attached to the securities giving access to the Company’s share capital,
  - ↳ allocate them to employees and/or managers (in the scope of an employees profit sharing scheme, a stock option program, free allocations of shares, etc.),
  - ↳ cancel the shares,
  - ↳ implement all market practices authorized by the AMF (Paris Stock Exchange Authority);
- within the limit of 5% of the share capital on the date of the Board of Directors’ decision to acquire the shares and for a maximum global amount of 205 million euros. The shares would be acquired in order to be kept and subsequently remitted as payment or exchange within the scope of a merger, demerger or contribution operation.



Operations realized in 2010 within the framework of the previous authorizations:

During the fiscal year 2010, SOCIÉTÉ BIC:

- repurchased 694,780 shares at an average price of 60.52 euros, according to the share repurchase program authorized by the Annual Shareholders' Meeting on May 12, 2010;
- within the scope of the liquidity agreement with Natixis, repurchased 382,544 shares at an average price of 57.63 euros and sold 384,029 shares at an average price of 57.63 euros;
- did not transfer shares to holders of purchase options, the last purchase options plan having expired in December 2009.

Brokerage fees related to all sale and repurchase transactions disclosed above amounted to 75,294.51 euros.

In addition, the Board of Directors cancelled:

- 48,821 shares on February 16, 2010 (as authorized by the Annual Shareholders' Meeting held on May 14, 2009);
- 497,105 shares on October 19, 2010 (as authorized by the Annual Shareholders' Meeting held on May 12, 2010).

During the last 24 months, SOCIÉTÉ BIC cancelled 645,926 shares, representing 1.33% of the share capital as of December 31, 2010.

Moreover, in 2010, SOCIÉTÉ BIC:

- granted 83,475 performance shares;
- transferred to beneficiaries 7,473 performance shares acquired following the achievement of performance conditions.

**Proposed resolution 5 – Authorization given to the Board of Directors to undertake operations with regards to the shares of the Company**

The Shareholders, deliberating in compliance with the provisions of Article L. 225-209 of the French Commercial Code, of the General Regulation of the Paris Stock Exchange Authority (AMF), of European commission regulation N° 2273/2003 of December 22, 2003, and after considering the report of the Board of Directors, authorize the Board of Directors to acquire by any means, once or several times, the shares of the Company:

1. Within the limit of a number of shares representing a maximum of 10% of its share capital on the date of the Board of Directors' decision to acquire the shares,
  - for a maximum amount of 410 million euros, under the conditions and limits provided by the laws and regulations in force,
  - for a maximum purchase price of 85 euros, exclusive of costs.

In accordance with the above-mentioned dispositions and with the market practices allowed by the Paris Stock Exchange Authority (AMF), this authorization can be used by the Board of Directors in order to:

- provide liquidity and stimulate the market of the securities of the Company through an investment service provider acting independently in the name and on behalf of the Company, pursuant to a liquidity agreement compliant with professional ethics standards recognized by the Paris Stock Exchange Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations (with the exception of mergers, demergers or contribution operations referred to in paragraph 2 below) in accordance with the market practices approved by the Paris Stock Exchange Authority;
- remit them at the moment of the use of rights attached to the securities giving access to the Company's share capital by reimbursement, conversion, exchange, presentation of a bond or by any other means;



- allocate them to employees and managers under the conditions and according to the methods prescribed by the law, notably within the scope of employees profit sharing scheme, the stock option program, the free allocation of shares plan or through an employees saving scheme;
  - cancel them entirely or partly, according to the conditions provided by the regulations in force, by reducing accordingly the share capital, within the limit of 10% of the capital existing on the cancellation date, by periods of 24 months, subject to the adoption at the Extraordinary Shareholders' Meeting of resolution 13 hereunder;
  - implement all market practices which may be authorized by the Paris Stock Exchange Authority;
2. Within the limit of a number of shares representing a maximum of 5% of its share capital on the date of the Board of Directors' decision to acquire the shares,
- for a maximum amount of 205 million euros,
  - for a maximum purchase price fixed at 85 euros, exclusive of costs,

and in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation.

The limits provided in paragraphs 1 and 2 above are not cumulative and the Company cannot at any time, directly or through a third party, hold more than 10% of the total number of its own shares forming the share capital.

The acquisition, assignment, transfer or exchange of shares can be carried out by the Board of Directors by any means, once or several times, notably on the market, by mutual consent or in block and if necessary, having recourse to derivative financial instruments negotiated on a regulated market or by mutual consent such as purchase or sale options or any combination of these, or having recourse to bonds and this, according to the conditions authorized by the competent securities regulator, and at the time when the Board of Directors or its proxy shall deem appropriate, and possibly by a third party acting on behalf of the Company in compliance with the provisions of the last paragraph of Article L. 225-206 of the Commercial Code. It is specified that the part of the share repurchase program realized by acquisition or transfer of blocks of shares may represent the entire program.

The Shareholders decide that the maximum purchase price per share, excluding cost, should not exceed that of the last isolated transaction or, if it is higher, that of the highest current isolated offer on the market where the purchase is made.

In the case where the options provided in the fifth paragraph of Article L. 225-209 of the Commercial Code were used, the sale price (in case such a sale price would be necessary) shall thus be determined according to the legal provisions in force.

The acquisition of shares of the Company realized pursuant to this authorization shall also comply with the rules enacted by the Paris Stock Exchange Authority regarding the conditions and the periods of intervention on the market. The Company shall abstain from buying more than 25% of the daily average quantity of shares negotiated on the regulated market where the purchase is made.

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 12, 2010 (resolution 6). This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting. This authorization may not be used during public offers of the Company's shares, except with the prior and express authorization given by the Shareholders.

In compliance with the provision of Article L. 225-210 of the Commercial Code, the shares of the Company acquired pursuant to this authorization must be registered and must be entirely paid up upon their acquisition. These acquisitions must not have the effect of reducing the net equity to an amount lower than that of the capital increased by non distributable reserves. Finally, the Company must have reserves (other than the legal reserve) amounting to at least the value of all the shares that the Company owns directly or through a third party.

Within the scope of its global financial management, the Company reserves itself the possibility of using part of its available financial resources to finance the purchase of the shares and to resort to debt to finance the additional needs that may exceed its internal financing.



The Board of Directors shall inform the Shareholders, in its annual management report, of the operations realized pursuant to this authorization.

The Shareholders confer all powers to the Board of Directors to implement this share repurchase program and notably to:

- appreciate the appropriateness and proceed with the share purchase authorized by this resolution;
- prepare and publish, before the realization of a share repurchase program, a description of the share repurchase program, according to the conditions and methods set by the general rules and regulations of the Paris Stock Exchange Authority;
- place all orders, conclude all agreements in particular regarding the up-keeping of the purchases and sales register;
- inform the market and the Paris Stock Exchange Authority of operations carried out, in compliance with the general rules and regulations of the Paris Stock Exchange Authority;
- delegate to the Chief Executive Officer or, in agreement with the latter, to one or several Executive Vice-Presidents, authority necessary for the realization of the share repurchase program;
- make all declarations and carry out any other formalities and, as a general rule, do all that is necessary to carry out the forgoing authorization.

**PROPOSED RESOLUTIONS 6 TO 8 – REAPPOINTMENT OF MR. FRANÇOIS BICH, MRS. MARIE-PAULINE CHANDON-MOËT AND MR. FRÉDÉRIC ROSTAND AS DIRECTORS OF THE BOARD**

**Board of Directors' report:**

It is proposed to the Shareholders to reappoint Mr. François Bich, Mrs. Marie-Pauline Chandon-Moët and Mr. Frédéric Rostand for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts of the fiscal year ending December 31, 2013.

• **Mr. François BICH**

Age: 61

Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010 this holding held 25.55% of the share capital of SOCIÉTÉ BIC and 34.52% of the voting rights.

In the BIC Group since March 1, 1969, Mr. François Bich has been a Director since September 30, 1977 and Executive Vice-President of SOCIÉTÉ BIC since December 15, 1988. He is also General Manager for the Lighters category of the BIC Group. He has been Chairman of the company Société du Briquet Jetable 75, since its creation in 1975.

Other current mandate and function:

- Chairman of the Supervisory Board of SOCIÉTÉ M.B.D. (non-listed company – France)

Expired mandates and functions in the previous five years (non BIC Group companies): N/A



- **Mrs. Marie-Pauline CHANDON-MOËT (maiden name: BICH)**

Age: 43

Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2010 this holding held 25.55% of the share capital of SOCIÉTÉ BIC and 34.52% of the voting rights.

Mrs. Marie-Pauline Chandon-Moët has been a Director since May 28, 2003.

She is President of FERRAND SAS (non-listed company – France).

Mrs. Marie-Pauline Chandon-Moët was Responsible for European real estate projects of BIC Group until December 31, 2010. Before this, Mrs. Marie-Pauline Chandon-Moët had been since 1991 Administration of Sales Assistant, General Administration of Sales Manager for France and then for Europe, as well as General Supply Chain Manager for Europe.

Mrs. Marie-Pauline Chandon-Moët has a Bachelor of Science from Northeastern University in Boston (United - States).

Other current mandate and function:

- Member of the Supervisory Board of SOCIÉTÉ M.B.D. (non-listed company – France)

Expired mandates and functions in the previous five years (non BIC Group companies): N/A

- **Mr. Frédéric ROSTAND**

Age: 48

Holds 1,000 BIC shares.

Director since May 28, 2003.

Independent Director within the definition of the AFEP and MEDEF's corporate governance Code of listed corporations.

Member of the Compensation and Nomination Committee.

Mr Frédéric Rostand is a graduate from the Institute of Political Studies in Paris and the School of High Commercial Studies. He started his carrier in various bank establishments from 1987 to 1996. He was in particular General Manager of Worms & Cie Développement and Financial Officer of Worms & Cie.

In Saint Louis Sucre Group between 1996 and 2007, Mr. Frédéric Rostand was first Financial Officer, and then Executive Vice-President and Chief Executive Officer. He was appointed President of the Directory Board of Saint Louis Sucre in 2001 and Member of the Directory Board of Südzucker AG in 2002.

From 2007 to 2010, Mr Frédéric Rostand was President of the Directory Board of Groupe Générale de Santé.

Other current mandate and function:

- Director of the Board of Louis Delhaize SA (non-listed company – Belgium)



Expired mandates or functions in the previous five years (non BIC Group companies):

- Chairman of the Directory Board of Générale de Santé SA (listed company – France)
- President of Compagnie Générale de Santé SAS (non-listed company – France)
- Chairman and Chief Executive Officer of Générale de Santé Cliniques (non-listed company – France)
- Director of the Board of GIE Générale de Santé (non-listed company – France)
- Director of the Board of GIE Générale de Santé Hospitalisation (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Conectis Santé (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Hôpital Privé Beauregard (ex Provence Santé) (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Sam Bio (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of École Européenne de Chirurgie (non-listed company – France)
- Permanent representative of Sogur, Director of the Board of Cofindex (non-listed company – France)
- Director of the Board of Fondation d'entreprise Générale de Santé (non-listed company – France)
- Permanent representative of Compagnie Générale de Santé, Director of the Board of Financière la Providence (non-listed company – France)
- Permanent representative of Générale de Santé Cliniques, Director of the Board of Générale de Santé Domicile (non-listed company – France)
- Permanent representative of Générale de Santé Cliniques, Director of the Board of Immobilière de Santé (non-listed company – France)
- Permanent representative of Générale de Santé Cliniques, Director of the Board of Pass (non-listed company – France)
- Chairman of the Directory Board of Saint Louis Sucre SA (non-listed company – France)
- Representative of Saint Louis Sucre SA, President of SFOP (non-listed company – France)
- Representative of Saint Louis Sucre SA, President of Saint Louis Sucre International (non-listed company – France)
- Chairman of the Supervisory Board of COFA (non-listed company – France)
- Permanent representative of Saint Louis Sucre SA, Director of the Board of Sucreries de Bourgogne (non-listed company – France)
- Director of the Board of 1829 Victor Fauconnier (previously Distilleries Ryssen) (non-listed company – France)
- Director of the Directory Board of Südzucker AG (listed company – Germany)
- Director of the Board of Raffinerie Tirlemontoise (non-listed company – Belgium)
- Director of the Board of Ebro Puleva (listed company – Spain)
- Director of the Board of Eastern Sugar BV (non-listed company – Netherlands)
- Vice-President of the Supervisory Board of Slaska Spolka Cukrowa SA (non-listed company – Poland)

**Proposed resolution 6 – Reappointment of Mr. François BICH as Director of the Board**

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. François BICH as Director of the Board.

The term of the mandate of Mr. François BICH will thus expire at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts for the fiscal year ending December 31, 2013.

**Proposed resolution 7 – Reappointment of Mrs. Marie-Pauline CHANDON-MOËT as Director of the Board**

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mrs. Marie-Pauline CHANDON-MOËT as Director of the Board.

The term of the mandate of Mrs. Marie-Pauline CHANDON-MOËT will thus expire at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts for the fiscal year ending December 31, 2013.



### **Proposed resolution 8 - Reappointment of Mr. Frédéric ROSTAND as Director of the Board**

The Shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. Frédéric Rostand as Director of the Board.

The term of the mandate of Mr. Frédéric Rostand will thus expire at the end of the Shareholders' Meeting called to vote in 2014 upon the approval of the accounts for the fiscal year ending December 31, 2013.

## **PROPOSED RESOLUTIONS 9 TO 12 – RENEWAL OF THE MANDATES OF THE TWO STATUTORY AUDITORS AND OF THE TWO ALTERNATE AUDITORS**

### **Board of Directors' report:**

We propose to renew, for a period of six fiscal years, the expiring mandates of the Statutory and Alternate Auditors:

- the company DELOITTE & ASSOCIÉS and its alternate, the company BEAS;
- the company GRANT THORNTON and its alternate, the company INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC.

For these renewals, your Board of Directors, after having heard the Audit Committee, decided not to proceed to a call for tenders, considering that the recent appointment of the company Grant Thornton (in 2007), the rotation of the associates in charge of the mission in their Auditor Companies and a better geographical distribution between the two Statutory Auditors was liable to ensure their independence.

### **Proposed resolution 9 – Renewal of the mandate of the company DELOITTE & ASSOCIÉS as Statutory Auditor**

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company DELOITTE & ASSOCIÉS as Statutory Auditor.

The mandate of the company DELOITTE & ASSOCIÉS will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

### **Proposed resolution 10 – Renewal of the mandate of the company BEAS as Alternate Auditor**

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company BEAS as Alternate Auditor to the company DELOITTE & ASSOCIÉS.

The mandate of the company BEAS will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

### **Proposed resolution 11 – Renewal of the mandate of the company GRANT THORNTON as Statutory Auditor**

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company GRANT THORNTON as Statutory Auditor.

The mandate of the company GRANT THORNTON will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.

### **Proposed resolution 12 – Renewal of the mandate of the company IGEC as Alternate Auditor**

The Shareholders decide to renew, for a period of six fiscal years, the mandate of the company INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC as Alternate Auditor to the company GRANT THORNTON.

The mandate of the company INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC will thus expire at the end of the Shareholders' Meeting called to vote in 2017 upon the approval of the accounts for the fiscal year ending December 31, 2016.



## EXTRAORDINARY SHAREHOLDERS' MEETING

### **PROPOSED RESOLUTION 13 – DELEGATION GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF SHARES ACQUIRED IN COMPLIANCE WITH ARTICLE L. 225-209 OF THE COMMERCIAL CODE**

#### **Board of Directors' report:**

We propose you to authorize the Board of Directors, for a period of 18 months, to:

- cancel, within the limit of 10% of the share capital by periods of 24 months, all or part of the shares held by the Company in the framework of the share repurchase program authorized by the fifth resolution and to decrease the share capital accordingly;
- to charge the difference between the purchase price of the cancelled shares and their nominal value on available premiums and reserves.

#### **Proposed resolution 13 – Delegation given to the Board of Directors to reduce the share capital by cancellation of shares acquired in compliance with Article L. 225-209 of the Commercial Code**

The Shareholders, after having considered the Board of Directors' report and the Statutory Auditor's report, deliberating in compliance with the provisions of Article L. 225-209 of the Commercial Code authorize the Board of Directors:

- on its sole deliberations, at the time it deems it necessary, to cancel once or in several times, by a reduction of said share capital accordingly, all or part of the shares of the Company that the Company holds or may hold within the scope of the repurchase of shares authorized by previous Shareholders' Meetings or by the fifth resolution above, within the limit of 10% of the share capital existing on the day of the cancellation, by periods of 24 months;
- to charge the difference between the purchase price of the cancelled shares and their nominal value on available premiums and reserves.

The Shareholders delegate to the Board of Directors the authority to proceed with the cancellation of these shares, to take note of the reduction(s) of share capital, to charge the difference between the book value of cancelled shares and their nominal value on all reserve accounts or others, to proceed with the modification of the by-laws accordingly, to carry out all formalities, make all declarations with all authorities or administrative bodies and in a general manner, take all other action that may be necessary to carry out the foregoing authorization.

This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting and replaces the one given at the Shareholders' Meeting held on May 12, 2010 (resolution 10).



## **PROPOSED RESOLUTION 14 – MODIFICATION OF ARTICLE 14 “CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS” OF THE ARTICLES OF INCORPORATION**

### **Board of Directors’ report:**

In the absence of a rule provided in the articles of incorporation, the age limit of the Chairman, of the Chief Executive Officer and of the Executive Vice-Presidents is 65 years old. Bruno Bich will be 65 years old during this mandate.

We therefore propose you to modify the articles of incorporation in order to allow the Chairman, the Chief Executive Officer and the Executive Vice-Presidents to exercise their functions until 70 years old.

### **Proposed resolution 14 – Modification of Article 14 “Chairman, Chief Executive Officer and Executive Vice-Presidents” of the Articles of Incorporation**

The Shareholders decide to introduce, in the Articles of Incorporation, an article regarding the age limit of the Chairman, of the Chief Executive Officer and of the Executive Vice-Presidents, and to set this limit to 70 years old. Article Fourteen – Chairman, Chief Executive Officer and Executive Vice-Presidents is modified as follows:

New paragraph *in fine*: “The age limit of the Chairman, of the Chief Executive Officer and of the Executive Vice-Presidents is set to 70 years old. When the Chairman, the Chief Executive Officer or an Executive Vice-President reaches the age limit, he will be automatically considered as having resigned.”

The rest is unchanged.

## **ORDINARY AND EXTRAORDINARY SHAREHOLDERS’ MEETING**

## **PROPOSED RESOLUTION 15 – AUTHORIZATION TO PERFORM FORMALITIES**

### **Board of Directors’ report:**

This resolution allows the performance of the legal formalities following the present Meeting.

### **Proposed resolution 15 – Authorization to perform formalities**

The Shareholders grant full power to the bearer of a copy or of an excerpt of the present document to carry out any and all required legal formalities.