# ATARI

A French corporation (Société Anonyme) with capital of 2,561,092.60 Euros
Principal office: 25 rue Godot de Mauroy
75009 PARIS
Paris Trade and Companies Register No. 341 699 106

# BY-LAWS

*Note to the reader: The By-Laws in English is a translation of the French "Statuts" for information purposes. This translation is qualified in its entirety by reference to the "Statuts".*

**By-laws updated May 13, 2019**

## SECTION I

## FORM - PURPOSE - NAME - PRINCIPAL OFFICE - LIFE - FISCAL YEAR

ARTICLE 1 - FORM

A French corporation *(société anonyme)* is hereby formed between the owners of the shares created below and those which may be created hereafter, governed by the French Commercial Code, the Decree of March 23, 1967, all other statutory and regulatory provisions in force, and by these articles of incorporation and bylaws.

The company satisfies the conditions of Article L 224-2 of the French Commercial Code.

ARTICLE 2 - PURPOSE

The corporate purpose of ATARI in France or abroad, directly or indirectly, is:

- the design, production, publishing and distribution of all multimedia and audiovisual products and works, including those in the nature of entertainment, in any form including software, data processing and content – either interactive or otherwise – for all media and by means of all present and future means of communication;

- the purchase, sale, supply and more generally distribution of all products and services related to the foregoing;

- the creation, acquisition, use and management of intellectual and industrial property rights or other *in rem* and *in personam* rights, including by means of assignment, licensing, patents, trademarks and other copyrights;

- the acquisition, the search of partnerships and the acquisition of interests in other firms, including the formation of new entities and the issuance, subscription or transfer of securities in any business directly or indirectly related to the foregoing or to the products and ideas developed by the company;

- and, more generally, any transactions with a purpose similar or related to the foregoing, or otherwise likely to benefit the company.

ARTICLE 3 - NAME

The name of the company is:

"ATARI"

On all instruments, invoices, announcements, publications and other documents originating with the company, the name of the company must always be preceded or followed by the words "*société anonyme*" or the initials "*SA*", in legible print, and the amount of the company's stated capital.

ARTICLE 4 - PRINCIPAL OFFICE

The principal office of the company is at 25 rue Godot de Mauroy, 75009 PARIS France.

It may be moved to any other place in the same department (*département*) or in neighboring departments by a decision of the board of directors, subject to ratification by the next annual shareholders' meeting, and anywhere else by a resolution of a special shareholders' meeting.

ARTICLE 5 - LIFE

The life of the company is set at 99 years, commencing with its registration in the Trade and Companies Register, absent early dissolution or extension as provided for in these articles of incorporation and bylaws.

ARTICLE 6 - FISCAL YEAR

The fiscal year of the company commences on April 1st and ends on March 31st of each year.

## SECTION II

## CAPITAL – SHARES

ARTICLE 7 – CAPITAL STOCK

Capital stock shall amount to 2,561,092.60 Euros.

It shall be divided into 256,109,260 shares with a nominal value of 0.01 euro each, fully issued and paid up.

ARTICLE 8 - CHANGES IN CAPITAL

The capital of the company may be increased either by the issuance of new shares or by increasing the par value of outstanding shares.

New shares are paid up either in cash, by setting off due, liquid and payable claims on the company, by the capitalization of reserves, profits or share premiums, or by contributions in kind or the conversion of bonds.

The special shareholders' meeting has exclusive authority to decide that a capital increase will be carried out. It may delegate to the board of directors the powers required to complete the capital increase within the legally prescribed time period at one or more times, to set the terms thereof, to record completion thereof and to amend the articles of incorporation and bylaws accordingly.

A decision may be made to limit a capital increase to be subscribed for in cash to the amount of the subscriptions received, on the terms provided for by law.

In the event of a cash increase by the issuance of shares, a preemptive right in said shares is reserved to the owners of outstanding shares, on the terms provided for by law. However, the shareholders may individually waive their preemptive rights and the special shareholders' meeting which decides to increase the capital of the company may eliminate said preemptive right provided that it complies with the applicable legal requirements.

A special shareholders' meeting may also decide or authorize the board of directors to carry out a reduction of the capital of the company.

ARTICLE 9 - OWNERSHIP AND FORM OF SHARES

Shares are either in registered or bearer form.

Ownership of shares is evidenced by their registration in an account in the name of the holder or holders.

In order to identify the holders of bearer shares, the company may at any time at its expense request the institution responsible for clearing transactions in shares to provide it with the individual or entity name, nationality, year of birth or formation, address and the number of shares granting a present or future right to vote at shareholders' meetings held by each shareholder, and any restrictions to which such shares may be subject, in accordance with the laws and regulations in force.

Based on the list submitted by the institution responsible for clearing transactions in shares, the company may request the information regarding shareholders set forth in the preceding paragraph from either the institution responsible for clearing transactions in shares or directly from the individual or entity included on said list whom the company feels may be acting as an intermediary on behalf of third-party shareholders.

With respect to registered shares, the company may also request any intermediary registered on behalf of third-party shareholders to disclose the identity of said shareholders.

For so long as the company feels that certain shareholders, whether bearer or registered, the identity of which has been disclosed to it, are acting on behalf of third-party shareholders, it shall have the right to request the listed shareholders to disclose the identity of the actual shareholders as provided for above.

Upon receipt of the information set forth above, the company shall have the right to request from any legal entity which owns shares in the company which represents more than one fortieth of the company's capital or voting rights to disclose to the company all persons who directly or indirectly own more than one third of the stated capital or voting rights (which may be exercised at shareholders' meetings thereof) of said legal entity.

If a person who is the subject of a request in accordance with the provisions of this Article 10 fails to provide the information requested of him within the legally-specified period or provides incomplete or incorrect information regarding its capacity or the ownership of securities, shares or securities granting a present or future interest in the company's stated capital for which said person has been registered in an account shall have their voting rights suspended for any shareholders' meeting held prior to complete and correct information being provided. Payment of dividends shall also be suspended until such time.

Further, in the event that the listed person deliberately misconstrues the above provisions, the court with territorial jurisdiction over the location of the company's principal office may, at the request of the company or of one or more shareholders holding at least 5% of the company's share capital, order the voting rights and dividend payments of the shares for which said information has been requested to be suspended in whole or in part for a period which may not exceed five years.

In addition to the disclosures required by law, any natural person or legal entity, acting alone or with another, which should come to directly or indirectly hold or cease to hold at least 2% of the capital stock or voting rights of the company, or any multiple of that percentage, is required to notify the company thereof by certified letter, return receipt requested mailed to the principal office of the company within five trading days of the date on which any of these thresholds is exceeded, and to specify, in addition, the number of shares held by it which grant it a future claim on the capital of the company, and the number of voting rights attached thereto. Mutual fund management companies are required to provide this information for all of the shares of the company held by the funds which they manage.

At the request, set down in the minutes of the shareholders' meeting, of one or more shareholders who own at least 5% of the capital stock or voting rights of the company, failure to comply with this

requirement shall be punishable by a prohibition on the exercise of the voting rights attached to the shares in excess of the percentage which should have been reported, effective the date of said meeting, and at any other shareholders' meeting convened within two years of the date on which breach of said reporting requirement is remedied.

## ARTICLE 10 - RIGHTS ATTACHED TO SHARES

In addition to the voting right granted by law, each share has a right to a ratable portion of the profits and assets of the company.

Pursuant to Article L 225-123 of the French Commercial Code, a voting right which is double that attached to the other shares on the basis of the fraction of capital which they represent, is granted to all paid-up shares which can be shown to have been registered in the same shareholder's name for at least two years and all shares deriving from those shares.

In the case of a capital increase by means of the capitalization of reserves, profits or share premiums, a double voting right will be granted, at the time of issuance, to registered shares gratuitously allotted to a shareholder for those outstanding shares for which he possessed that right.

Any share converted into a bearer share or transferred to another owner loses its double voting right. However, transfer by way of inheritance, liquidation of community property or inter vivos gift to spouses or relatives who would take under the intestacy statutes shall not result in loss of said vested right and shall not toll the time period provided for in Article L 225-123 of the French Commercial Code.

Merger of the company with another company shall have no effect on the double voting right, which may be exercised within the acquiring company if its articles of incorporation and bylaws so provide.

All shares which compose or shall compose the share capital of the company shall receive equal tax treatment.

Whenever more than one outstanding share must be held in order to exercise some right in the case of an exchange or allotment granting the right to new shares in exchange for delivery of more than one outstanding share, isolated shares or shares fewer in number than is required shall not grant the holder thereof any rights against the company, and the shareholders shall be personally responsible for consolidating the necessary number of shares.

Each member of the shareholders' meeting shall be entitled to a number of votes corresponding to the number of shares they own or represent. For a period of two years from the date of the reverse stock split decided by the board of directors on February 11, 2008, acting pursuant to authority granted to it by the special shareholders' meeting of November 15, 2006, all old shares before the reverse stock split shall entitle their holder to one vote and all new shares after the reverse stock split shall entitle their holder to 100 votes, so that the number of votes attached to the shares shall be consistent with the portion of capital which they represent.

## ARTICLE 11 - TRANSFER OR TRANSMISSION OF SHARES

### A - Form of transfer

Transfers or transmissions of shares are carried out with respect to the company and third parties by account-to-account transfer. The transfer is effected by production of a transfer order signed by the transferor and, where applicable, by an acceptance of said order signed by the transferee, particularly if the shares are not fully paid up.

Unless otherwise provided by law, certification by a broker or a notary and proof that the proxies are authentic may be required.

Gratuitous transmissions of shares or transmissions causa mortis are also effected by account-to-account transfer: change of ownership shall be documented as provided for by law.

B - Divestitures and transmissions

Shares are freely negotiable unless otherwise provided by the applicable laws or regulations.

Shares for which due and payable calls have not been settled may not be transferred.

C - Transmission causa mortis or as a result of liquidation of community property

- Transmission *causa mortis*

The transfer or transmission of inherited shares is not subject to any restrictions.

- Transmission as a result of liquidation of community property

In the event of a liquidation of community property as a result of divorce, legal separation or a change in the spouses' matrimonial regime, the award of community shares to a spouse or former spouse who was not a shareholder shall not be subject to any restrictions.

ARTICLE 12 - INDIVISIBILITY - BENEFICIAL OWNERSHIP - LEGAL OWNERSHIP

Each share is indivisible with respect to the company.

Co-owners of indivisible shares are required to choose one of their number or a single legal representative to represent them. In the event of disagreement, the legal representative is appointed upon application by the first co-owner to apply, by order of the chief judge of the commercial court sitting in emergent proceedings. The voting right attached to the share belongs to the beneficial owner at annual shareholders' meetings and to the legal owner at special shareholders' meetings.

## SECTION III

## BOARD OF DIRECTORS - MANAGEMENT

ARTICLE 13 - BOARD OF DIRECTORS

1 - The company is governed by a board of directors composed of at least three and no more than eighteen members, subject to the exceptions provided for by the French Commercial Code in the event of a merger.

2 - A legal entity may be appointed as a director. Upon appointment, it is required to designate a permanent representative who is subject to the same terms, conditions and obligations, and the same liabilities, as if he were a director in his own name, without prejudice to the liability of the legal entity whom he represents.

In the event that a legal entity removes its permanent representative, as in the case of the death or resignation of a representative, the legal entity is required to promptly notify the company and specify the identity of the new permanent representative.

3 - An employee of the company may be appointed a director in accordance with applicable laws and regulations.

4 - Directors are appointed or reappointed by the annual shareholders' meeting to three-year terms.

However, in the event of a vacancy as a result of the death or resignation of one or more directors, the board of directors may make temporary appointments between two annual shareholders' meetings. Those appointments are subject to ratification at the next annual shareholders' meeting.

Even if the shareholders' meeting fails to ratify the appointment of a director, the actions taken by that director and the resolutions passed by the board shall still be valid.

If the number of directors falls to less than three, an annual shareholders' meeting must immediately be called to fill the vacancies on the board.

A director appointed to replace another director shall only remain in office for the balance of his predecessor's term of office.

Only a shareholders' meeting may appoint a new member to the board as an addition to the members in office.

5 - No person who is older than seventy years of age may be appointed as a director if the effect of his appointment is to increase the number of members of the board of directors who are more than seventy years of age to more than one-third of the members of the board. If this fraction is exceeded as a result of a director in office reaching seventy years of age, the oldest director shall automatically be deemed to have resigned at the close of the next annual shareholders' meeting.

ARTICLE 14 - CHAIRMAN AND DELIBERATIONS OF THE BOARD OF DIRECTORS

1 - The board of directors appoints a chairman chosen from among its members who are natural persons. The chairman represents the board of directors and presides over its meetings. He organizes and directs the board's activities and reports thereon to shareholders' meetings. The chairman is responsible for the successful performance of the company's governing bodies and, in particular, is responsible for ensuring that the directors are able to perform their duties.

The chairman is appointed for his entire term as a director. He may be removed at any time by the board of directors.

If it deems useful, the board of directors may elect one or more vice-chairmen from among its members who are natural persons.

In addition, the board appoints a secretary who need not be a director or a shareholder.

In the event that the chairman is absent and, where applicable, the director temporarily appointed as acting chairman and the vice-chairman or vice-chairmen are also absent, the board shall appoint one of its members who is present to preside over the meeting. If the secretary is absent, the board of directors appoints one of its members or a third party to replace him.

The chairman, the vice-chairman or vice-chairmen and the secretary are always eligible for re-appointment.

No person who is more than 65 years of age may be appointed as chairman of the board of directors. Furthermore, if the current chairman reaches the age of 65, he shall automatically be deemed to have resigned at the close of the next meeting of the board of directors.

2 - The board of directors convenes, upon notice from the chairman, as often as the interests of the company require. At least one-third of the members of the board may request the chairman to call a

meeting of the board if it has not met within more than two months, and shall draft the agenda for the meeting. If necessary, the chief executive officer may request the chairman to call a meeting of the board of directors to address a specific agenda.
3 – Any director may attend, participate in and vote at meetings of the board of directors by videoconference or other means of telecommunications, as provided for by the regulations applicable at that time. In order to guarantee, as required by article L. 225-37 of the French Commercial Code, the effective identification and participation in board meetings of those directors who participate by videoconference or other means of telecommunications, the systems used shall transmit at least the participants' voices and shall have the technical ability to provide for the uninterrupted and simultaneously transmission of the proceedings.

4 – Board proceedings shall be recorded in minutes entered in a special register and signed by the chairman of the meeting and at least one director.

Copies or extracts of said minutes are certified by the chairman of the board of directors, the chief executive officer, a deputy chief executive officer, the director temporarily appointed as acting chairman, the secretary, or an attorney-in-fact authorized for that purpose.

5 – Based on a nomination by its chairman, the board of directors may appoint one or more non-voting members ("*censeurs*") to ensure compliance with the articles of incorporation and by-laws and to submit recommendations to the board of directors. The non-voting member(s) shall attend meetings of the board of directors in a consultative capacity and shall not be entitled to compensation.

ARTICLE 15 - POWERS OF THE BOARD OF DIRECTORS - MANAGEMENT

The board of directors shall determine the focus of the company's strategy and ensure the implementation thereof. Subject to the powers expressly reserved by law to shareholders' meetings and within the scope of the company's purpose, the board is responsible for all matters related to the successful operation of the company and governs the company's affairs. The board of directors shall conduct the inspections and verifications that it deems appropriate.

Based on a decision of a majority of the members of the board of directors present or represented, the company shall be managed by the chairman or by another natural person, who shall hold the position of chief executive officer, appointed by the board of directors. The board of directors shall determine how the company shall be managed; the type of management selected by the board shall be used for a period of not less than one year.

The chairman or the chief executive officer, as appropriate, shall represent the company in its dealings with third parties.

Subject to the powers expressly reserved by law to shareholders' meetings and specially reserved for meetings of the board of directors, and within the scope of the company's purpose, the chairman or chief executive officer, as appropriate, shall enjoy the broadest powers to act in all circumstances in the company's name.

The company shall also be bound by the actions of the chairman or chief executive officer, as appropriate, which do not fall within the scope of the company's purpose unless he can demonstrate that the third party involved knew that the action fell outside said scope or that it must have known in light of the circumstances. The simple publication of the articles of incorporation and by-laws shall not constitute sufficient proof thereof.

The provisions of the articles of incorporation and by-laws and the decisions of the board of directors which limit the powers of the chairman or chief executive officer, as appropriate, shall not be binding on third parties.

If the chief executive officer is not also a director, he may attend board meetings in a consultative capacity.
If the chief executive officer is a director, his term as chief executive officer may not exceed his term as director.

If the chairman or chief executive officer, as appropriate, is temporarily unable to perform his duties, the board of directors may appoint a director to act as chief executive officer.

Based upon a proposal by the chairman or chief executive officer, as appropriate, the board of directors may appoint one or more deputy chief executive officers to assist him. Said individuals may be board members. The board may not appoint more than five deputy chief executive officers.

No person older than 65 years of age may be appointed as deputy chief executive officer. If a deputy chief executive officer reaches this age limit, he shall automatically be deemed to have resigned at the close of the next meeting of the board of directors.

The board of directors shall determine the scope and duration of the authority of the deputy chief executive officers, with the consent of its chairman or the chief executive officer, as appropriate. Deputy chief executive officers must report on their activities to the chairman or to the chief executive officer, as appropriate.

The deputy chief executive officers have the same power as the chairman or chief executive officer, as appropriate, with respect to third parties and the general management of the company.

If a deputy chief executive officer is not also a director, he may attend board meetings in a consultative capacity.

The term of office of the deputy chief executive officers may not exceed the term of the chairman or chief executive officer, as appropriate. However, the terms of the deputy chief executive officers may be renewed. In the event of the death, resignation or dismissal of the chairman or chief executive officer, as appropriate, the deputy chief executive officers shall continue in office until the appointment of a new chairman or chief executive officer, as appropriate, unless the board decides otherwise.

If a deputy chief executive officer is also a director, his term as deputy chief executive officer may not exceed his term as director.

The board of directors sets the amount of the fixed or proportional compensation of the chairman, the chief executive officer, and the deputy chief executive officer(s).

The chairman or chief executive officer, as appropriate, and any of the deputy chief executive officers are permitted, under their own authority, to delegate their powers or appoint others to replace them with respect to one or more specific transactions or categories of transactions.

The purpose of the board of directors' internal rules is to establish, in addition to the company's articles of incorporation and bylaws and in accordance with applicable laws and regulations, how the board of directors is to be organized and operate. The rules set forth the eligibility and independence criteria applicable to the directors and specify the rights and duties of the directors in the performance of their duties.

## ARTICLE 16 - COMPENSATION OF MEMBERS OF THE BOARD

The directors are entitled to directors' fees, the annual, comprehensive amount of which is fixed by the shareholders' meeting and remains in effect until changed by the shareholders.

The board allocates said compensation among its members in such manner as it deems convenient.

ARTICLE 17 - REGULATED AGREEMENTS AND UNDERTAKINGS

All agreements and undertakings, whether concluded directly or through an intermediary, between the company and the chief executive officer, a director, a deputy chief executive officer, a shareholder owning more than 10% of the voting rights, or in the case of a legal entity shareholder, the company which controls such a shareholder within the meaning of Article L 233-3 of the French Commercial Code, are subject to prior approval by the board of directors. The company's auditors shall be informed of any such decisions.

The same rules shall apply to agreements and undertakings in which any of the persons listed in the preceding paragraph have an indirect interest.

Agreements and undertakings between the company and another company are also subject to prior approval if a director, the chief executive officer, or a deputy chief executive officer of the company is an owner, partner, manager, director, member of the supervisory board ("*conseil de surveillance*") or, in general, a manager of said company. An interested party in any of the aforementioned categories must so inform the board of directors. The company's auditors shall also be informed.

The preceding provisions shall not apply to agreements related to the company's day-to-day activities that are concluded at arm's-length conditions. A list of such agreements and the purposes thereof shall be provided by the chairman to the members of the board of directors and to the auditors. A shareholder shall also have the right to receive a copy of said list and the purpose of such agreements in accordance with applicable law.

## SECTION IV

## SHAREHOLDERS' MEETINGS - AUDITORS

ARTICLE 18 - GENERAL RULES

1 - Notices

All shareholders are entitled to participate in shareholders' meetings and shall be notified of such meetings in accordance with the law.

The shareholders convene each year in an annual shareholders' meeting at the time, place and on the day specified in the notice of the meeting, within the first six months following the end of the fiscal year, subject to extension of said time period by an order made by the chief judge of the commercial court upon application.

Annual shareholders' meetings called on a special basis and special shareholders' meetings may be called at any time of the year.

Except as provided for by law, shareholders' meetings are called by the board of directors.

Shareholders' meeting shall be held either at the company's principal office, or in the Rhone department or Paris.

The first notice is sent out at least fifteen, and the second at least six days in advance of the meeting by means of a notice in a gazette authorized to publish legal announcements in the department in which

the principal office of the company is located, or by letter sent by regular mail to the last known address of each shareholder.

Any shareholders' meeting which is irregularly called may be invalidated. However, an action seeking invalidation shall not be admissible if all of the shareholders were present or represented.

2 - Agenda

The agenda is drawn up by the person who prepared the notice of the meeting. Where applicable, it contains proposals by one or more shareholders on the terms set by law.

When a meeting could not validly transact business for lack of a quorum, a second meeting is called using the same procedures as the first and the notice of the meeting shall include a reference to the date of the first shareholders' meeting.

3 - Composition of shareholders' meetings

Shareholders' meetings are composed of all of the shareholders, regardless of the number of shares they own.

A shareholders' meeting which has been duly called and convened represents all of the shareholders. Its decisions are binding on all of them, including dissenting shareholders, those under a legal disability and absentees.

Any shareholder satisfying the conditions required to participate in a meeting may be represented by a third party as provided for by law.

The right to participate in shareholders' meetings shall be contingent on the completion of all of the formalities required by applicable regulations.

4 - Conduct of shareholders' meetings

Shareholders' meetings are presided over by the chairman of the board of directors or by a director designated for that purpose by the board, failing which, by a person designated by the shareholders' meeting. In the event that a shareholders' meeting is called by the auditor, a court-appointed representative or a liquidator, the meeting is presided over by the person who called it.
The two members of the meeting with the largest number of votes shall act as tellers, provided that they agree. The officers of the meeting appoint a secretary, who need not be a shareholder.
An attendance sheet is kept, duly initialed by the shareholders present and the proxies of the shareholders represented by proxy, or certified by the officers of the meeting.
Each shareholder has as many votes as the shares he owns or is authorized to vote as a proxy, with no restriction other than those provided for by law.
For any proxy given by a shareholder which does not specify the name of the proxy, the chairman of the meeting shall cast a vote in favor of the proposed resolutions submitted or approved by the board of directors and a vote against all other proposed resolutions. A shareholder who wishes to cast his vote differently must choose a proxy who agrees to cast his vote in accordance with his wishes.

Shareholders have the right to cast their vote by mail at any and all shareholders' meetings.
Mail ballot and proxy forms, as well as attendance certificates may, if the board of directors so decides, be in electronic form, duly signed in accordance with applicable law and regulation.

For this purpose, the form may be completed and electronically signed on the Internet site provided by the registrar for the shareholders' meeting. The form may be signed electronically (i) by entering an identification code and a password, in a manner consistent with the provisions of the first sentence of the second paragraph of article 1316-4 of the Civil Code, or (ii) by any other means consistent with the

provisions of the first sentence of the second paragraph of article 1316-4 of the Civil Code. Proxies submitted or votes cast by such electronic means at the shareholders' meeting, and, where applicable, receipts therefor, shall be considered irrevocable written documents that are enforceable against all persons, with the exception of transfers of shares, notice of which shall be given in accordance with article R.225-85 (IV) of the Commercial Code.

The board of directors may arrange, in accordance with applicable law and regulation, for shareholders to participate in and vote at meetings by videoconference or other telecommunications technology making it possible to identify them as prescribed by law and regulations. The board of directors shall ensure that the identification methods used are effective.

For the purpose of calculating the quorum and majority at a shareholders' meeting, shareholders participating in the meeting by means of videoconference or other telecommunications technology making it possible to identify them as prescribed by law and regulation shall be deemed present.
Deliberations are set down in minutes signed by the officers of the meeting and drawn up in accordance with the provisions of the law.
Copies of or extracts from said minutes are valid if certified by the chairman of the board of directors, the secretary of the shareholders' meeting, a chief executive officer who is also a director, or a liquidator.

## ARTICLE 19 - ANNUAL SHAREHOLDERS' MEETINGS

Annual shareholders' meetings vote on matters which do not fall under the authority of special shareholders' meetings.

Annual shareholders' meetings are duly convened and may validly transact business when at least one-fifth of the voting shares are represented. If a quorum is not reached, a new shareholders' meeting is called no fewer than six days after the first meeting. Resolutions adopted at the second meeting are valid regardless of the percentage of the capital stock present or represented, but the meeting may only consider some or all of the agenda for the first meeting.

To carry, resolutions require a majority of the votes of the shareholders present, voting by mail or by proxy at annual shareholders' meetings.

## ARTICLE 20 - SPECIAL SHAREHOLDERS' MEETINGS

Special shareholders' meetings are empowered to make all amendments permitted by law to the articles of incorporation and bylaws. They may not, however, increase the shareholders' liability or change the nationality of the company other than by a unanimous decision of the shareholders.

Special shareholders' meetings are duly convened and may validly transact business if the shareholders present or represented by proxy at the meeting following the first notice own at least one-fourth and, at the meeting following the second notice, one-fifth of the voting shares; if this last quorum is not reached, the second meeting may be postponed to a date no more than two months after the date on which it was convened, subject to the exceptions provided for by law.

To carry, resolutions require a two-thirds majority of the votes of the shareholders present, voting by mail or represented by proxy at special shareholders' meetings.

## ARTICLE 21 - AUDITORS

Annual shareholders' meetings appoint one or more auditors in accordance with the terms and conditions and with the assignment provided for by law, whose term of office expires at the close of the shareholders' meeting voting on the financial statements for the sixth fiscal year.

One or more alternate auditors, called upon to replace the auditors in the event of their death, resignation, refusal or unavailability, are appointed for the same term of office by the annual shareholders' meeting.

## SECTION V

## ANNUAL FINANCIAL STATEMENTS - PROFITS - RESERVES

### ARTICLE 22 - ANNUAL FINANCIAL STATEMENTS - MANAGEMENT REPORT

At the end of each fiscal year, the board of directors prepares a record of assets and liabilities, the annual financial statements and the consolidated financial statements in accordance with the applicable legal provisions.

Each year, the board of directors draws up a report on its management during the past fiscal year.

The annual financial statements, the consolidated financial statements, and the management report are provided to the auditors and approved by the annual shareholders' meeting in accordance with the applicable legal requirements.

### ARTICLE 23 - APPROPRIATION OF PROFITS - RESERVES

The following are first appropriated from the profits for the year, less any losses from prior years:

- at least five percent of the profits, to form the legal reserve. This appropriation shall no longer be mandatory once the legal reserve reaches one-tenth of stated capital, but said appropriation shall resume if that fraction is no longer reached, for any reason whatever.

- all sums to be posted to reserves pursuant to the law.

The balance, plus retained earnings, constitutes the distributable profits which the shareholders' meeting may allocate to the shares in the form of a dividend, appropriate to any reserve accounts or post to retained earnings.

Shareholders' meetings may in addition decide to distribute sums paid out of the reserves under their control. In that case, the decision shall expressly identify the reserve items out of which the appropriations are paid.

### ARTICLE 24 - PAYMENT AND PREPAYMENT OF DIVIDENDS

Dividends are paid on such dates and at such places as may be determined by the shareholders' meeting, failing which, by the board of directors, within no more than nine months following the end of the fiscal year.

Prior to approval of the financial statements for the year, the board of directors may prepay one or more dividends.

Annual shareholders' meetings voting on the financial statements for the year may grant each shareholder an option between receiving payment in cash or in shares for some or all of the dividends or prepaid dividends set aside for distribution.

Any dividend that is not collected within five years of the date on which it is set aside for payment shall be forfeited in accordance with the law.

## SECTION VI

## DISSOLUTION - LIQUIDATION - DISPUTES

ARTICLE 25 - DISSOLUTION

1 – Shareholders' equity less than one-half of stated capital

If, as a result of losses recorded in the financial statements, the shareholders' equity in the company falls below one-half of stated capital, the board of directors is required within four months following approval of the financial statements reflecting said losses to call a special shareholders' meeting to vote on the early dissolution of the company.

If a decision is not made to dissolve the company, the company is required no later than the end of the second fiscal year following the year in which the losses were recorded, to reduce its stated capital by an amount no less than the amount of those losses which could not be set off by reserves if, within that time period, shareholders' equity has not been built back up to at least one-half of stated capital.

In all cases, the decision of the meeting is published in accordance with the regulations in force.

2 - End of the life of the company as provided for by the articles of incorporation and bylaws

At least one year before the end of the life of the company, the board of directors shall call a special meeting of the shareholders of the company in order to decide whether the life of the company should be extended. If the board fails to call said meeting, any shareholder, after having given formal notice which went unheeded, may apply to the chief judge of the commercial court to appoint a representative to call the meeting.

3 - Early dissolution

A special shareholders' meeting may dissolve the company in advance at any time.

ARTICLE 26 - LIQUIDATION

Special shareholders' meetings determine the method of liquidation, appoint the liquidator or liquidators, and fix their duties and compensation. Said appointment terminates the appointments of the directors and auditors.

Subject to the applicable legal restrictions, the liquidators have the broadest powers to dispose of all of the assets of the company and discharge its liabilities, including by private agreement. By virtue of a resolution of the special shareholders' meeting, they may transfer or agree to the sale of all of the property, rights and obligations of the dissolved company.

Following discharge of the company's liabilities, the net proceeds of liquidation are used to reimburse the unredeemed, paid up principal amount of the shares; the balance is distributed among the shareholders, in cash or in securities.

In addition, the instrument appointing the liquidators is published in the BALO. The same applies to the notice of the close of liquidation and any decision to distribute funds.

ARTICLE 27 - DISPUTES - ELECTION OF DOMICILE

Any dispute that may arise during the life of the company or its liquidation, either between the shareholders and the company or between the shareholders themselves, and which relates to or arises by reason of the affairs of the company, shall be referred to the courts of competent jurisdiction in accordance with the provisions of ordinary law.