

## **Presentation of the agenda for the Combined Ordinary and Extraordinary General Meeting of May 25, 2012**

*This document outlines the key issues in the draft resolutions submitted by your Board of Directors to the General Meeting of Shareholders to be convened on May 25, 2012. As a result, it is not exhaustive and cannot replace a careful review of the draft resolutions before you exercise your voting rights at the Meeting.*

The Board of Directors has resolved to call a Combined Ordinary and Extraordinary General Meeting of Shareholders on May 25, 2012 to consider the following agenda:

### **RESOLUTIONS FOR THE ORDINARY GENERAL MEETING**

#### **A) Approval of the financial statements, appropriation of earnings and determination of dividend, approval of regulated agreements, renewal of directors' mandates and appointment of new directors (resolutions 1 to 9)**

##### **Financial statements (1<sup>st</sup> and 2<sup>nd</sup> resolutions)**

The first two resolutions ask the shareholders to approve the following for the financial year ended December 31, 2011:

- the Company's financial statements at December 31, 2011, which show a net profit of €92,475,655.25;
- the Company's consolidated financial statements, which show a net profit of €478.6 million; and
- the transactions reflected in these financial statements.

##### **Appropriation of earnings and determination of dividend (3<sup>rd</sup> resolution)**

The third resolution asks the shareholders to:

- observe that the net book profit for the financial year ended December 31, 2011 amounts to €92,475,655.25;
- resolve to appropriate €4,623,782.76 of this net profit to the legal reserve;
- observe that, in light of retained earnings from previous years in the amount of €462,804,375.54, the amount available for distribution in respect of the 2011 financial year is €550,656,248.03,
- distribute a dividend to shareholders amounting to €0.93 euro per share, making a total amount of €244,430,466.87 on the basis of the number of shares making up capital stock at December 31, 2011 and after deduction of treasury shares held at this date; and
- appropriate the remaining distributable income to retained earnings.

In the event of a change in the number of shares entitling holders to a dividend, the total dividend amount would be adjusted accordingly, and the amount appropriated to retained earnings would be calculated on the basis of dividends actually paid. No dividends would be due on any shares that are held by the Company itself or have been cancelled before the payment date.

The dividend is eligible in full for the 40% income-tax exemption for natural persons domiciled in France. Shareholders who opt for the flat rate would not benefit from this exemption.

If this resolution is approved, the ex-date would be May 31, 2012 and the dividend would be paid to shareholders on June 5, 2012.

**Regulated agreements (4<sup>th</sup> and 5<sup>th</sup> resolutions)**

The fourth and fifth resolutions ask the shareholders to approve regulated agreements subject to Article L. 225-38 of the French Commercial Code, signed between the Company and its Directors or with another company that has one or more Directors in common with the Company. These agreements were authorized in advance by the Board of Directors and are reviewed in a special auditors' report.

The fourth resolution asks shareholders to approve a service agreement signed between the Company and Mr. Olivier Bazil, one of the Company's Directors and formerly its Vice Chairman and Chief Operating Officer. Mr. Bazil resigned these positions at the conclusion of the Combined Ordinary and Extraordinary General Meeting of May 26, 2011. The primary purpose of this agreement was to give Mr. Olivier Bazil a special assignment, as a member of the Board and the Strategy Committee, to ensure a smooth transition in the management and oversight of the Group-level strategic projects of which he had been in charge previously in his capacity as Vice Chairman and Chief Operating Officer. This special assignment was completed on December 31, 2011, and Mr. Olivier Bazil received the sum of €345,000 in consideration of his performance of the assignment under the service agreement.

The fifth resolution asks shareholders to approve a refinancing agreement signed between (i) the Company, in its capacity as borrower and guarantor of the commitments of its subsidiaries, (ii) some of its subsidiaries in their capacity as borrowers, and (iii) a pool of lender banks. The primary purpose of this refinancing agreement is to establish new multi-currency lines of credit in an amount not to exceed €900,000,000, which will enable the Group to refinance an existing line of credit and to obtain bank financing for its current needs. The Directors serving on the boards of both the Company and one of its subsidiaries are Messrs. Olivier Bazil, François Grappotte and Gilles Schnepf.

The Statutory Auditors' special report appearing in chapter 9.4 of the Company's 2011 registration document, available on the Company's website, also discusses agreements and commitments which were authorized and signed during previous financial years and continued to be performed during 2011. These authorized and signed agreements and commitments are not submitted for the approval of shareholders at the General Meeting.

**Renewal of the mandates of Messrs. Gérard Lamarche and Thierry de La Tour d'Artaise as Directors (6<sup>th</sup> and 7<sup>th</sup> resolutions)**

The sixth and seventh resolutions ask the shareholders to renew the mandates of Messrs. Gérard Lamarche and Thierry de la Tour d'Artaise as Directors, which are expiring, for a period of four years, ending at the date of the General Meeting of shareholders called in 2016 to consider the financial statements for the financial year ending December 31, 2015.

Mr. Gérard Lamarche has been a member of the Company's Board of Directors since 2006, serves on and chairs the Audit Committee and serves on the Nominating and Compensation Committee, providing the Company with his experience and expertise, especially in the areas of finance and accounting.

Mr. Thierry de La Tour d'Artaise, who has been a member of the Board of Directors since 2006, offers the Group his extensive experience in industry.

Their profiles are as follows:

**Mr. Gérard Lamarche**

Gérard Lamarche graduated from the University of Louvain-la-Neuve with a Bachelor's degree in Economic Sciences and a specialization in Business Administration and Management. He also completed the Advanced Management Program for Suez Group Executives at the INSEAD Business School and took part in the 1998-99 Wharton International Forum, Global Leadership Series. He began his professional career in 1983 with Deloitte Haskins & Sells in Belgium, and became M&A Consultant in the Netherlands in 1987. In 1988, he joined the Venture Capital Department of Société Générale de Belgique as Investment Manager. He was promoted to Controller in 1989, and served as Advisor to the Director of Strategic Planning from 1992 to 1995. He became Special Projects Advisor to the President and Secretary of the Suez Board of Directors (1995-1997) and participated in the merger between Compagnie de Suez and Lyonnaise des Eaux (1997); he was later appointed the new Group's Senior Vice President in charge of Planning, Control and Accounts Management. In 2000, Gérard Lamarche joined NALCO (American subsidiary of the Suez Group and world leader in industrial water treatment) as Director, Senior Executive Vice President and CFO. He was appointed Senior Executive Vice President – Finance (CFO) of the Suez Group in March 2004, becoming Executive Vice President, CFO of GDF SUEZ, and member of the Management and Executive Committees of the GDF SUEZ Group in July 2008. On April 12, 2011, Gerard Lamarche was appointed Director of the Board of Groupe Bruxelles Lambert, where he has held the position of Managing Director since January 2012.

**Mr. Thierry de La Tour d'Artaise**

Thierry de La Tour d'Artaise was an Audit Manager with Coopers & Lybrand from 1979 to 1983, and in 1983, was appointed Head of Internal Audit at Groupe Chargeurs SA. He then served as Chief Administrative and Financial Officer (1984-1986) and Chief Executive Officer (1986-1993) of Croisières Paquet before joining the SEB Group as Chief Executive Officer (1994-1996). Thierry de La Tour d'Artaise was Chairman and Chief Executive Officer of Calor SA from 1996 to 1998. He was appointed Deputy Chairman and Chief Executive Officer of SEB Group in 1999 and has served as the group's Chairman and Chief Executive Officer since 2000. Thierry de La Tour d'Artaise is a graduate of École Supérieure de Commerce in Paris and is a chartered accountant.

At its meeting on February 8, 2012, after a review by the Nominating and Compensation Committee, the Board confirmed its judgment that Messrs. Gérard Lamarche and Thierry de La Tour d'Artaise satisfy the criteria for independent Directors as defined in the Company's internal rules and in the Afep-Medef Code of Corporate Governance.

**Appointment of Ms. Christel Bories and Ms. Angeles Garcia-Poveda as Directors (8<sup>th</sup> and 9<sup>th</sup> resolutions)**

In the eighth and ninth resolutions, we ask the shareholders to appoint Ms. Christel Bories and Ms. Angeles Garcia-Poveda as Directors for a period of four years, ending at the date of the General Meeting of shareholders called in 2016 to consider financial statements for the financial year ending December 31, 2015. Profiles of these candidates appear below.

**Ms. Christel Bories**

A graduate of HEC, Ms. Christel Bories began her career in 1986 as a strategy consultant with Booz-Allen & Hamilton before moving to Corporate Value Associates. She subsequently held several executive positions with Umicore, then Groupe Pechiney. Following Pechiney's integration into the Alcan Group, Ms. Christel Bories was appointed Chairman and CEO of Alcan Packaging, then Chairman and CEO of Constellium (formerly Alcan Engineered

Products), which she left in December 2011. Ms. Christel Bories is currently a Director of Natixis. She is 47 years old and a French national.

**Ms. Angeles Garcia-Poveda,**

Ms. Angeles Garcia-Poveda is office manager of the Paris office of Spencer Stuart and a member of the European leadership team. She specializes in the consumer goods sector and is also a member of the firm's Business & Professional Services, Private Equity and Marketing Officer practices. Before joining Spencer Stuart in 2008, she spent 14 years with The Boston Consulting Group (BCG). She worked as a consultant at BCG in Madrid and Paris from 1993 to 1997 before taking different recruiting roles in the firm at the local and international levels. As BCG global recruiting manager, she worked extensively on cross-border recruiting projects. Ms. Angeles Garcia-Poveda holds a master's degree from ICADE, a leading graduate school of management in Madrid. She also attended the Business Case Study Program at Harvard University. She is 41 years old and a Spanish national.

At its meeting on February 8, 2012, after a review by the Nominating and Compensation Committee, the Board confirmed its judgment that Ms. Christel Bories and Ms. Angeles Garcia-Poveda satisfy the criteria for independent Directors as defined in the Company's internal rules and in the Afep-Medef code of corporate governance.

With Ms. Christel Bories and Ms. Angeles Garcia-Poveda appointments as Directors, the Board would:

- achieve early compliance with France's law on balanced gender representation on boards of directors, which requires that boards include 20% women by 2014 (if the proposed appointments are approved, the proportion of women on the Board of Directors would rise to 25%), and
- include a larger number of independent directors, as recommended by the Afep-Medef code of corporate governance (if the proposed appointments are approved, five of the Board's twelve members would be independent, raising the proportion of independent Directors to 42%).

**B) Renewal of share buyback program (10<sup>th</sup> resolution)**

If approved, the tenth resolution would renew the authorization to buy back Company shares granted to the Board of Directors at the General Meeting of Shareholders on May 26, 2011. This resolution would enable the Company to buy back its own shares within the limits set by the shareholders and as prescribed by law.

Under this authorization, the Board of Directors could direct the buyback of Company shares representing up to 10% of the Company's capital stock at the date of the Combined Ordinary and Extraordinary General Meeting of May 25, 2012, minus the number of shares resold under a liquidity contract during the term of this authorization.

The goals of the buyback program are to: (i) ensure a liquid and active market in Company shares; (ii) to implement any and all Company stock-option plans, any and all employee share-ownership programs; any and all free share allotments; and any and all share allotments for the purpose of profit-sharing; (iii) enable the Company to hold and subsequently transfer shares by way of exchange or payment relating to business acquisitions; (iv) deliver shares on the exercise of rights attached to securities providing access to the equity of the Company; (v) cancel all or some of the shares so purchased, on condition that the eleventh

resolution below is adopted; and (vi) engage in any other practices permitted or recognized by law or by the Financial Markets Authority.

We propose that you set the maximum purchase price per share at €40 and limit the total amount appropriated for the share buyback program to €500 million.

This authorization would be valid for eighteen months from the date of this General Meeting of shareholders. If this authorization is approved, it would invalidate all authorizations previously granted by the shareholders, to the extent not used.

For reference, the Board of Directors has used the previous authorization as follows:

- at December 31, 2011, the Company held 560,536 shares with a nominal value of €4, for a total of €2,242,144, representing 0.2% of the Company's capital (or 330,036 shares excluding liquidity contracts, purchased at a total cost of €6,913,949, appropriated for any and all performance share plans and for transfer to an FCPE employee share-ownership fund under a profit-sharing program.);
- at December 31, 2011, the balance of the liquidity contract entered into with Crédit Agricole Cheuvreux on May 29, 2007 stood at 230,500 shares.

Under this authorization, the Board of Directors also engaged on February 2012 an investment services provider to buy back 420,000 Company shares to cover the 2010 performance share plan (these shares were to be distributed to plan beneficiaries in March 2012).

## **RESOLUTIONS FOR THE EXTRAORDINARY GENERAL MEETING**

### **C) Renewal of authorization to cancel shares purchased pursuant to the share buyback programs (11<sup>th</sup> resolution)**

The eleventh resolution would allow the Company to reduce its capital stock by cancelling some or all of the shares purchased under share buyback programs authorized and deployed by the Company, within a limit of 10% of the share capital at the date of the Combined Ordinary and Extraordinary General Meeting of May 25, 2012, in any 24-month period.

This authorization is valid for twenty-six months from the date of this General Meeting of shareholders. If this authorization is approved, it will invalidate all authorizations previously granted by the shareholders to the extent not used.

### **D) Renewal of financial authorizations (resolutions 12 to 20)**

Resolutions 12 to 20 cover the delegations of financial powers granted to your Board of Directors. The purpose of these resolutions is to renew the authorizations established and approved by the General Meeting of May 27, 2010, which are now expiring, and to enable the Board of Directors to manage the Company's finances, in particular by authorizing it to issue securities under certain circumstances and under certain conditions, depending on market opportunities and the Group's financing requirements. Each resolution presented to you corresponds to a specific purpose for which your Board would be authorized to issue securities, with or without preferred subscription rights, depending on each case.

By voting these resolutions, you would give your Board a certain degree of flexibility by removing the requirement to call a General Meeting for each proposed issue of securities. As a result, the Board would adapt the type of securities and the investor profile more rapidly in

response to market opportunities. This would allow the Company to obtain the right financing as quickly as possible, for both its own needs and market requirements.

Note that any capital increase in cash would theoretically involve offering shareholders preferred subscription rights to the new shares entitling them to subscribe, for a defined period, a certain number of shares in proportion to their existing shareholdings. This preferred subscription right may be detached from the shares and can be traded throughout the subscription period.

Please note that approval of some of these resolutions would result in capital increases without preferred subscription rights. Depending on market conditions, it may be necessary to eliminate preferred subscription rights in order to issue securities as successfully as possible. This may be the case, for example, if the success of the issue depends on the Company's ability to act quickly, or if the Company is selling securities to investors outside France, or responding to an exchange offer. In some instances, eliminating preferred subscription rights allows the Company to raise the capital it requires for investments more quickly, by offering the newly issued securities on more favorable terms (for example, by gaining faster access to qualified investors as defined by applicable regulations).

In addition, your vote in favor of certain resolutions constitutes an express waiver of your preferred subscription right, without further process, in favor of the beneficiaries of the issues or allotments, for example in the case of a capital increase restricted to participants in a share ownership savings plan.

We propose that you limit these delegations of financial powers by specifying amounts, time limits, and ceilings in accordance with standard practices and recommendations. These authorizations would be limited to:

- a period of twenty-six months;
- limits to be determined strictly for each authorization; in order to exceed these limits, the Board would be required to call a General Meeting of shareholders to obtain a new authorization. Limits set for resolutions involving the elimination of preferred subscription rights comply with the recommendations of the majority of proxy advisors, and may not give rise to capital increases greater than 10% of the amount of the Company's capital at the date of the General Meeting; and
- a global limit of €500 million for equity securities and €3 billion for debt securities (**20<sup>th</sup> resolution**) (the "Global Limit").

We therefore propose that you grant your Board of Directors the following powers:

- **To issue, with or without preferred subscription rights, of shares or securities granting access to equity or debt securities:**
  - delegation of powers for the purpose of issuing shares or securities granting access to equity or debt securities, with preferred subscription rights, subject to (i) a limit of €500 million for equity securities (or approximately 47% of capital stock as of this date) and €3 billion for debt securities; and (ii) the Global Limit (**12<sup>th</sup> resolution**);
  - delegation of powers for the purpose of issuing, by means of public offers, shares or securities granting access to equity or debt securities, without preferred subscription rights, subject to (i) a limit of €105 million for equity securities (or approximately 10% of capital

- stock as of this date) and €650 million for debt securities; and (ii) the Global Limit (**13<sup>th</sup> resolution**); under this issue, your Board of Directors would vote to grant shareholders priority subscription rights for all or part of the issue (with the understanding that, unlike preferred subscription rights, priority rights are not negotiable);
- delegation of powers for the purpose of issuing, by means of an offer subject to section L. 411-2 of French Monetary and Financial Code (private placement), of shares or securities granting access to the Company's equity or debt securities, without preferred subscription rights, subject to a limit of €105 million for equity securities (or approximately 10% of capital stock as of this date) and €650 million for debt securities; nominal amount of capital increases effected under this resolution would be counted towards the limits provided in the thirteenth resolution. To comply with applicable regulation, the total amount of capital increases effected under this delegation of powers may not exceed 20% of capital stock at the issue date per year (legal threshold calculated at the date of this document and provided for purposes of information) (**14<sup>th</sup> resolution**);
  - delegation of powers, within the time allowed and up to the limits set by applicable regulations (at the date of the General Meeting, within 30 days from the subscription closing date, not exceeding 15% of the initial issue, and at the same price as the initial issue), to increase the amount of issues in the event of excess demand, subject to the limits set in the resolution under which the securities are issued (resolutions 12, 13 and/or 14) (**15<sup>th</sup> resolution**);
  - authorization to the Board of Directors, with respect to issues without preferred subscription rights, subject to the global limit of 10% of share capital in any 12-month period, to make an exception to the price-setting conditions provided by the 13<sup>th</sup> and 14<sup>th</sup> resolutions, such that the issue price for the shares is at least equal to the average price of the Company's shares, weighted for volumes at the date the price is set, and reduced by a 10% discount if appropriate; the nominal amount of capital increases effected under this resolution would be counted towards the limits provided in the resolution under which the securities are issued (**16<sup>th</sup> resolution**);
- **Capital increase by incorporation of reserves, profit, premiums, or other items:**
    - delegation of powers for the purpose of capital increases through incorporation of reserves, profit, premiums or other items which may be capitalized under applicable regulations would be allowed subject to a limit of €100 million (**17<sup>th</sup> resolution**);
  - **Issue of shares or securities granting access to the capital reserved for employees:**
    - delegation of powers to the Board of Directors for the purpose of issuing shares or securities granting access to the Company's share capital in favor of participants in employee share-ownership programs of the Company or Group (or any other plan which is allowed under Articles L. 3332-1 et seq. of the Labor Code, or any analogous law or regulation, to reserve a capital increase under equivalent conditions). The nominal amount of capital increases effected under this delegation of powers may not exceed €25 million, and would be counted towards the Global Limit. The subscription price for the new shares will be equal to the share's average opening price over the

twenty trading days preceding the date of the decision setting the opening date for subscription, less the maximum discount allowed by law at the date of the Board's decision, with the understanding that the Board may reduce this discount. The preferred subscription rights of shareholders would be waived in favor of participants in the share ownership savings plan (**18<sup>th</sup> resolution**);

- **Capital increase to provide consideration for in-kind contributions to the Company:**
  - delegation of powers to issue shares and securities granting access to the share capital of the Company, within the limit of 10% of share capital at the date of issue, for the purpose of providing consideration for in-kind contributions to the Company in the form of shares or other securities granting access to share capital. The nominal amount of the capital increases effected under this delegation would count towards the limit set in the 13<sup>th</sup> resolution (i.e., €105 million). The total nominal amount of bonds issued under this delegation of powers may not exceed €650 million and would count towards the limit set by the 13<sup>th</sup> resolution (i.e., €650 million). Preferred subscription rights would be waived in favor of the parties making the in-kind contributions (**19<sup>th</sup> resolution**).

These delegations would terminate previously granted delegations for the same purpose, to the extent not used.

For purposes of information, the Company has not used the delegations of financial powers granted to it by the Combined Ordinary and Extraordinary General Meeting of May 27, 2010.

#### **E) Amendments to articles of association (21<sup>st</sup> resolution)**

To bring the articles of association into compliance with the decree of December 9, 2011 on communication formalities with regard to corporate law, we ask that you amend the wording of the 3<sup>rd</sup> paragraph of section 12.1 of the Company's articles of association. Among other provisions, this decree allows the use of electronic signatures for proxies and forms for absentee voting, provided that the electronic signature is the product of a reliable process of identification that guarantees the link between the shareholder's signature and the document to which the signature is affixed.

We therefore propose that the Company's articles of association, subject to the approval of the Board of Directors, allow shareholders (subject to the terms and time limits set by applicable regulations) to send their proxy forms and mail-in voting forms by any means of telecommunication that allows them to be identified, provided its nature and terms are determined by prevailing regulations.

Finally, the 22<sup>nd</sup> resolution would allow your Board to undertake all filings, formalities and publications required by prevailing regulations.