

SONEPAR SAS ARTICLES OF ASSOCIATION

Updated on 25 May 2018

FOREWORD

The following are fundamental to the Company:

- its private nature;
- the strong *affectio societatis* (spirit of cooperation) between its shareholders;
- a determination to develop the Company's shareholding structure by allowing associates to participate in its share capital;
- the Majority Shareholder's long-term commitment to retaining its interest in the Company's share capital.

PART I – GENERAL PROVISIONS

Article 1 – Legal form

The Company, formed as a French private limited company (*société à responsabilité limitée*) under a deed notarised on 17 January 1936 by Mr. Guiard, a notary public based in Saint-Quentin, was converted into a French joint-stock company (*société anonyme*) under a private agreement dated 1 September 1959 in Saint-Quentin.

The Extraordinary Shareholders' Meeting of 29 June 1971 decided to set up a Management Board and a Supervisory Board in accordance with articles 118 to 150 of the French Act of 24 July 1966, which was applicable at that time.

The Combined Shareholders' Meeting of 22 January 2002 decided to return to a management and administration structure with a Board of Directors. Pursuant to a unanimous decision by the Extraordinary Shareholders' Meeting of 27 May 2016, the legal form of the Company was changed to a simplified joint-stock company (*société par actions simplifiée*).

The Company is governed by the provisions of the French Commercial Code (*Code de commerce*), all other laws and regulations currently in force and these Articles of Association.

It operates in the same manner regardless of whether it has one shareholder or several.

Article 2 – Company name

The Company's name is Sonepar.

The adoption and use of the name Sonepar are permitted only under the terms of an agreement signed on 7 June 2000 between Société de Négoce et de Participation, registered with the Paris Trade and Companies Registry under no. 602047045, and Sonepar, registered with the Paris Trade and Companies Registry under no. 585580202, and only for as long as this agreement is in force.

Accordingly, upon the expiry of the normal term of the agreement or its early termination for any reason whatsoever, the Company will surrender the name "Sonepar" within the time limit and in the manner provided for by the agreement.

The Company's name may be changed by decision of the Corporate Board, which has the power to amend the Articles of Association accordingly.

In all deeds and documents issued by the Company and intended for third parties, the Company's name must always be either immediately preceded or followed by the words "*Société par actions simplifiée*" (simplified joint-stock company) or the initials "SAS", and the amount of the share capital, as well as the number and place of registration with the Trade and Companies Registry.

Article 3 – Corporate purpose

The Company's corporate purpose is to:

- trade in iron and metals, hardware, tools and industrial goods, any and all electrical, electronic or medical equipment, including any and all petroleum products, furniture and art objects;
- acquire equity holdings in other companies with a corporate purpose directly or indirectly related to those specified above, or to provide financial, administrative or other services to such companies; and
- in general, carry out any and all commercial, industrial, financial, movable or real property transactions related, even indirectly, to the Company's purpose, and which may contribute to the development thereof.

Article 4 – Registered office

The Company's registered office is located at 25, rue d'Astorg, 75008 Paris, France.

It may be transferred to any other location in France by simple decision of the Chairman of the Company, who has the power to amend the Articles of Association accordingly.

Article 5 – Term of the company

The term of the Company is ninety-nine (99) years, beginning on 1 January 1936, unless it is extended or dissolved early.

PART II – SHARE CAPITAL - SHARES

Article 6 – Capital formation

- Upon the formation of the Company as a private limited company by virtue of a deed dated 17 January 1936, the following contributions were made:

- various goods in kind valued at A.F* 1,988,000
- cash contributions in an amount of A.F* 12,000

Constituting the original share capital of A.F* 2,000,000

- After the Company's conversion into a joint-stock company and following various capital increases, in cash as well as through the capitalization of reserves, contributions in kind and mergers, and following its conversion into euros, the share capital was increased to €100,000,000.
- A capital increase in an amount of €7,936,507.94 was carried out 1 September 2008 following the redemption of 100,000 bonds redeemable in shares.

Article 7 – Share capital

The share capital is set at €107,936,507.94, divided into 68,000,000 shares of the same class, all fully paid up.

Article 8 – Capital increases and reductions – Issuing of securities

The Company may increase or reduce its capital by collective decision, according to the terms and conditions provided for by law and by these Articles of Association.

It can issue any and all types of securities, which may or may not grant access to the capital, immediately or in the future, by any means and methods provided for by the laws and regulations in force.

The Chairman of the Company or, if applicable, the Chief Executive Officer(s), has the power to decide on or carry out the issue of securities that do not grant access to the capital within the limits of the authorizations set by the Corporate Board.

For the purposes of the provisions of the laws and regulations of the French Commercial Code relating to capital increases and reductions and to the issue of securities granting access to the capital, the powers vested in the board of directors of a joint-stock company shall be exercised by the Corporate Board.

However, for the purposes of the same provisions, the powers vested in the board of directors of a joint-stock company to grant stock options and free shares and to authorize the Company to purchase its own shares shall be exercised by the Chairman of the Company, who shall inform the Corporate Board in the event that such transactions are carried out.

Securities granting access to the capital are issued notwithstanding the existence of fractional shares.

Article 9 – Form of shares

The shares must be registered.

Ownership of the shares shall be evidenced by their registration in the name or names of the holder(s) in the share registers kept for this purpose at the Company's registered office.

The Company is solely responsible for recording the shares in the share register in accordance with the terms and conditions provided for by law and the applicable regulations. Share registration certificates are signed by the Chairman of the Company or by any other person with delegated authority to do so.

Article 10 – Rights and obligations attached to the shares

Ownership of a share implies full acceptance of the Articles of Association and all decisions adopted by the shareholders.

Shareholders shall only bear losses up to the limit of their contributions.

Each share confers a right to a share in the Company's profits and assets in proportion to the share capital represented by such share.

In addition, each share grants a right to vote and be represented at collective consultations or shareholders' meetings. The voting rights attached to capital or dividend shares are proportional to the share capital represented by such shares and each share entitles the holder to one vote.

*AF= "*anciens francs*" or "old French francs"

Whenever it is necessary to possess several shares in order to exercise a right, and particularly in the event of a share capital reduction by reducing the number of shares, an exchange of shares subsequent to a merger or demerger, a consolidation or share split, holders of isolated shares or of an insufficient number of shares may only exercise such right on the condition of personally ensuring the required number of shares are obtained and may ultimately be required to sell or purchase the appropriate number of shares (depending on whether they have too many or too few) to allow the exchange of old shares for new ones.

If need be, and provided that this complies with mandatory legal requirements, all shares shall be considered together, irrespective of any tax exemptions or deductions or any taxes likely to be borne by the Company, before any shares are redeemed during the life of the Company or when the Company is being liquidated, so that, given their respective par value, all existing shares shall be redeemed at the same net value, irrespective of their origin or their date of issue.

For the purposes of these Articles of Association, the term "Majority Shareholder" means the shareholder who holds a controlling interest in the Company within the meaning of article L. 233-3 of the French Commercial Code, either exclusively or jointly with the entities it controls within the meaning of the same article.

Shares are indivisible with respect to the Company.

PART III – TRANSFER OF SECURITIES

Article 11 – Procedures for transferring securities

Subject to the approval required in accordance with the terms and conditions set out below, transfers of Securities involving third parties and the Company shall be carried out via a transfer from one account to another upon production of a transfer order approved by the Chairman of the Company.

The term "Securities" means (i) all shares of the Company, (ii) all securities issued by the Company granting access to the capital except for debt securities, and (iii) subscription or allocation rights attached to these shares and securities, including waivers of subscription rights in favour of designated persons.

Article 12 – Approval of the company

12.1 Scope of Application

All transfers of Securities of the Company to any individual, whether or not that person is a shareholder of the Company, including to a spouse, descendant or ascendant of a shareholder, are subject to the prior approval of the Corporate Board.

The term "Transfer" means any transaction involving or likely to ultimately involve the transfer or division of ownership of Securities of the Company, for any reason and in any form whatsoever, including, but not limited to: (i) a disposal, whether voluntary or involuntary, for consideration or free of charge, dation in payment, contribution, exchange, loan, lease, or creation or enforcement of a pledge, (ii) for individuals, *inter-vivos* gifts or transfer by inheritance or distribution of community property and (iii) for legal entities, a merger, demerger, partial asset transfer or liquidation.

12.2 Approval Procedure

For all Transfers, a formal approval request must be submitted by the transferring shareholder to the Chairman of the Company, who shall send such request to the Company's Corporate Board, by registered letter with acknowledgement of receipt prior to the Transfer, or, in the event of a Transfer due to the death of a shareholder, by said shareholder's beneficiaries, with proof of their rights and identities, within six (6) months of the death.

This request must accurately provide:

- the type and number of Securities to be Transferred;
- the price offered or the value of the Securities, if applicable;
- the identity and contact information of the beneficiaries of the Transfer, i.e., civil status and address for individuals and company name, registered office and registration number for legal entities, as well as the identity of the companies they control either directly or indirectly within the meaning of article L. 233-3 of the French Commercial Code.

Approval of the Transfer shall be deemed granted further to notification thereof by the Chairman of the Company, in the name and on behalf of the Corporate Board, to the transferring shareholder within three (3) months of the date on which the Chairman of the Company receives the request.

The Transfer shall be deemed refused (i) further to notification thereof by the Chairman of the Company, in the name and on behalf of the Corporate Board, to the transferring shareholder or (ii) where no reply is given within three (3) months of the date on which the Chairman of the Company receives the request.

The decision of the Corporate Board need not be substantiated and, in the event of refusal, shall not give rise to any claims and/or compensation.

If the proposed beneficiary (or beneficiaries) is approved, the Securities shall be Transferred no later than thirty (30) days following the date of notification of approval. If the Securities are not Transferred within thirty (30) days, the transferring shareholder shall repeat the approval procedure described in this article before Transferring any Securities.

12.3 Consequences of a refusal of approval

If the proposed beneficiary (or beneficiaries) is not approved, the transferring shareholder shall have eight (8) days from the notification of the refusal to inform the Chairman of the Company, by registered letter with acknowledgement of receipt, of his/her decision to abandon the planned Transfer.

If the transferring shareholder does not expressly abandon the planned Transfer under the conditions set out in the previous paragraph, the Chairman of the Company shall, within three (3) months of the refusal, have the Securities purchased by a shareholder of his/her choice, a third party authorized by the Corporate Board, or by the Company as part of a capital reduction.

If Securities are purchased following a refusal of approval, the sale price shall be set by an expert or a panel of independent experts, carrying out their duties in accordance with article 1592 of the French Civil Code (*Code civil*).

For this purpose, each year the Chairman of the Company shall appoint an expert certified by the French courts or a panel of financial experts, at least one of whom must be included on the list of court experts, within two (2) months of the financial year-end. The expert or panel of experts shall be responsible each year for calculating the benchmark price of the shares and other Securities of the Company using a consistent method over time based on a range of criteria.

Pursuant to the provisions hereof, each shareholder agrees to the arrangements for appointing the expert or panel of experts, who shall be deemed to be jointly appointed by the parties and entrusted with a task in their common interest. The expert(s) shall carry out this task with total independence.

The expert or panel of experts shall submit their statement containing the benchmark price to the Corporate Board within five (5) months of the approval of the Company's financial statements. The Chairman of the Company shall make the statement available to shareholders at the Company's registered office and shall inform the shareholders of the benchmark price of the Securities no later than at the General Shareholders' Meeting called to approve the financial statements for the past year if he/she has reviewed it by that date.

The benchmark price provided in the most recent statement made available to shareholders on the date of the approval request is binding on the shareholders, authorized third parties and the Company for all sales of Securities following a refusal of approval.

If the Securities are purchased by a shareholder, authorized third party or by the Company, the Chairman of the Company will ask the person who requested the approval to sign the corresponding transfer order within ten (10) days, so as to complete the Transfer of the Securities to the purchaser(s).

If the person who requested the approval fails to comply with this request within the specified time limit, the Transfer will be completed automatically by way of a simple declaration of the Chairman of the Company, which will then be notified to said person within ten (10) days of the Transfer with an invitation to report to the Company's registered office to receive the transfer price in person or via a duly authorized representative.

If the Company does not sell or procure the sale of the Securities within three (3) months of the refusal of approval, approval shall be deemed granted and the shareholder may carry out the originally planned Transfer.

Any Transfers of Securities carried out in violation of this article shall be deemed invalid and shall not be binding on the Company or the shareholders.

PART IV – MANAGEMENT AND CONTROL OF THE COMPANY

Article 13 – Chairman and General Management

13.1 Appointment and removal of the Chairman, the Chief Executive Officers and the Deputy Chief Executive Officers

13.1.1 Chairman of the Company

The Chairman, within the meaning of article L. 227-6 of the French Commercial Code, is an individual or legal entity appointed by the Corporate Board upon the recommendation of the Majority Shareholder (the “Chairman of the Company”).

If the Chairman of the Company is a legal entity, it shall be represented by its legal representative or by any other individual appointed by said legal entity. The Chairman of the Company may be removed from office at any time by decision of the Corporate Board, after consulting the Majority Shareholder, without such decision having to be substantiated, and without notice or compensation.

The age limit for the position of Chairman of the Company is set at seventy (70) years.

In the event that the position becomes vacant, the Corporate Board may appoint an interim Chairman of the Company until a new Chairman is appointed in compliance with the provisions hereof.

13.1.2 Chief Executive Officers

The Chairman of the Company may, after consulting the Corporate Board, appoint one or more individual(s) as Chief Executive Officer(s).

Chief Executive Officer(s) may be removed from office at any time by decision of the Chairman of the Company, after consulting the Corporate Board, without such decision having to be substantiated, and without notice or compensation.

The age limit for the position of Chief Executive Officer is set at sixty-five (65) years.

In the event that the Chairman of the Company dies, resigns, is unable to perform his/her duties or is removed from office, the Chief Executive Officer(s) shall retain their functions and duties, including if the Chairman is an interim Chairman, until a new Chairman of the Company has been appointed, unless the Corporate Board decides otherwise during this period.

13.1.3 Deputy Chief Executive Officers

In agreement with the Chairman of the Company, the Chief Executive Officer(s) may, after informing the Corporate Board, appoint one or more individual(s) as Deputy Chief Executive Officer(s).

Deputy Chief Executive Officer(s) may be removed from office at any time by decision of the Chairman of the Company, made jointly with the other Chief Executive Officer(s), if any, after informing the Corporate Board, without such decision having to be substantiated, and without notice or compensation.

The age limit for the position of Deputy Chief Executive Officer is set at sixty-five (65) years.

In the event that the Chief Executive Officer dies, resigns, is unable to perform his/her duties or is removed from office, the Deputy Chief Executive Officer(s) shall retain their functions and duties until a new Chief Executive Officer is appointed, unless the Corporate Board decides otherwise during this period.

13.1.4 Joint provisions

The Chairman of the Company, the Chief Executive Officer(s) and the Deputy Chief Executive Officer(s) shall perform their duties for the duration of their term of office as set in the decision appointing them. Their terms of office may be renewed in accordance with the same terms and conditions as their original appointment.

The duties of the Chairman of the Company, the Chief Executive Officer(s) and the Deputy Chief Executive Officer(s) shall expire at the end of their terms of office, in the event of their death, resignation or removal from office in accordance with the terms and conditions set out above or where office is held by a legal entity, in the event that court-ordered insolvency or liquidation proceedings (*procédure de redressement ou de liquidation judiciaire*) are opened with respect to that entity.

In the event that the Chairman of the Company, a Chief Executive Officer or a Deputy Chief Executive Officer reaches the applicable age limit during his/her term or office, he/she shall be deemed to have resigned.

The compensation, if any, of the Chairman of the Company and of each of the Chief Executive Officers shall be set by the Corporate Board, including any compensation payable to them pursuant to an employment contract, where applicable.

The compensation, if any, of the Deputy Chief Executive Officer(s) shall be set by the Chief Executive Officer(s), after obtaining the opinion of the Chairman of the Company.

13.2 Powers of the Chairman, the Chief Executive Officers and the Deputy Chief Executive Officers

13.2.1 Management and administration powers

The Chairman of the Company and, where applicable, the Chief Executive Officer(s), are responsible for the management and administration of the Company. If the positions of Chairman of the Company and Chairman of the Corporate Board are not held by the same person, the Corporate Board shall specify their respective powers in the decision appointing them.

The allocation of duties to the Chairman of the Company and, where applicable, to the Chief Executive Officer(s) and Deputy Chief Executive Officer(s), may be specified in the decision appointing them and, where applicable, in the Company's Internal Rules of Procedure, with which they each undertake to comply.

13.2.2 Powers of representation

The Chairman of the Company and, where applicable, the Chief Executive Officer(s) and the Deputy Chief Executive Officer(s) are vested with the broadest powers to act in all circumstances in the name of the Company in their dealings with third parties within the scope of the Company's corporate purpose.

The Company shall be bound by the actions of the Chairman of the Company and those of the Chief Executive Officer(s) and Deputy Chief Executive Officer(s), if such acts are not within the scope of the corporate purpose, unless the Company can prove that the third party knew that the act was outside said corporate purpose or that, under the circumstances, the third party should have known. However, the mere publication of the Articles of Association shall not be sufficient to prove such knowledge.

For the purposes of the Company's internal organization, the Chairman of the Company and the Chief Executive Officer(s) and Deputy Chief Executive Officer(s) shall exercise their powers subject to the powers expressly granted to the shareholders or any other governance body, and subject to decisions whose implementation requires the prior notification or authorization of another governance body pursuant to these Articles of Association and, where applicable, the Internal Rules of Procedure, although such restrictions shall not be enforceable against third parties.

The Chairman of the Company and any Chief Executive Officer or Deputy Chief Executive Officer may delegate, for a limited period of time and to any person of his/her choice, with or without the right to subdelegate, the power to represent the Company in dealings with third parties in order to perform specific duties or carry out certain tasks.

Article 14 – Advisory Board

14.1 Composition of the Corporate Board

The Corporate Board shall comprise no fewer than three (3) and no more than twelve (12) members. They may be individuals or legal entities.

If a member of the Corporate Board is a legal entity, it is represented on the Corporate Board by its legal representative or by any other individual appointed by said legal entity.

Corporate Board members are appointed by a collective decision of the shareholders upon the recommendation of the Majority Shareholder, who shall seek qualified individuals possessing complementary skills both within and outside of the Company.

Corporate Board members are appointed for a term of four (4) years, with half of the members renewed every two (2) years. In order to allow a staggered renewal of the members' terms of office, the first Corporate Board meeting to be held following the Company's conversion into a simplified joint-stock company shall determine the members whose terms of office will expire at the General Shareholders' Meeting to be called in 2018 to approve the financial statements for the year ending 31 December 2017 by drawing lots.

Members' terms of office shall expire at the General Shareholders' Meeting called to approve the financial statements for the past financial year and held during the year in which their term of office expires.

No more than one-quarter of the members of the Corporate Board may be seventy (70) years old or more. If this proportion is reached, the oldest member of the Corporate Board shall be deemed to have resigned at the next General Shareholders' Meeting called to approve the financial statements for the year in which the proportion was reached.

The members of the Corporate Board may be removed from office at any time by collective decision of the shareholders, including at a shareholders' meeting where the removal has not been included on the agenda, without such decision having to be substantiated, and without notice or compensation.

The duties of Corporate Board members expire at the end of their terms of office or in the event of their death, resignation or dismissal.

In the event that a position on the Corporate Board becomes vacant, the Corporate Board may appoint a new member on a temporary basis for the remainder of the outgoing member's term of office. Such appointment shall be subject to ratification by the shareholders at the next consultation of the shareholders.

The Corporate Board shall have the right to involve advisers in its work. Advisers act in a consultative capacity only and under the conditions prescribed by the Corporate Board.

The Chairman of the Corporate Board may appoint a secretary, who shall be authorized to attend Corporate Board meetings if he/she is not a Board member.

14.2 Chairman of the Corporate Board

The Corporate Board shall appoint one of its members as the Chairman who may or may not be the Chairman of the Company (the "Chairman of the Corporate Board").

The length of the term of office of the Chairman of the Corporate Board shall be set in the decision appointing him/her.

The duties of the Chairman of the Corporate Board shall expire at the end of his/her term of office or in the event of his/her death, resignation or removal as a member of the Corporate Board.

The Chairman of the Corporate Board shall organize and oversee the work of the Corporate Board, and report thereon to the shareholders. He/she shall ensure that the members of the Corporate Board receive all the information they require to carry out the tasks assigned to them.

In the absence of the Chairman of the Corporate Board, Board meetings shall be chaired by a Corporate Board member appointed as such at the beginning of the meeting.

He shall be responsible for ensuring the smooth running of the governing bodies, in collaboration with the Corporate Board, and for ensuring that each body complies with these Articles of Association and, where applicable, with the Company's Internal Rules of Procedure.

14.3 Corporate Board's practices and procedures

14.3.1 Convening of meetings and agenda

Corporate Board meetings are called by the Chairman of the Corporate Board at his/her own initiative or at the request of the Chairman of the Company. In addition, a minimum of one-third of the total number of members may jointly request that a Board meeting be held if no such meeting has taken place within the last four (4) months.

If the Chairman of the Corporate Board fails to call a meeting within eight (8) days of such a request, the meeting may be called by the Chairman of the Company or by the third of the Board members themselves.

The agenda is set by the Chairman of the Corporate Board or by the person(s) who requested the meeting, if it was not requested by the Chairman. In addition, a member of the Corporate Board may request that the Chairman of the Corporate Board add a particular item to the agenda of the next Corporate Board meeting. The Corporate Board members may deliberate on any issues that are not included on the agenda provided that all of its members are present in person or by proxy.

Corporate Board meetings may be held at the Company's registered office or any other location specified in the notice of meeting.

14.3.2 Quorum and majority

The Corporate Board may only deliberate validly where at least half of the members are present in person or by proxy.

Decisions are taken on a majority of votes cast by members present in person or by proxy. Each member shall have one vote. In the event of a tied vote, the Chairman of the Corporate Board shall have the deciding vote.

The Corporate Board may specify, in the Company's Internal Rules of Procedure if applicable, the conditions for organizing Board meetings, including any technological means for participating in meetings, and the rights and obligations of its members.

14.4 Powers of the Corporate Board

In addition to the powers conferred upon it by these Articles of Association and those which may be conferred upon it, if applicable, by the Company's Internal Rules of Procedure, the Corporate Board has authority over the following matters:

- setting the Company's authorized debt limits on an annual basis;
- specifying the off-balance sheet commitments that are subject to authorization;
- if applicable, adopting and amending the Company's Internal Rules of Procedure, upon the proposal of the Chairman of the Corporate Board and with the assent of the Majority Shareholder;
- allocating the attendance fees granted by the shareholders to the Corporate Board members and, where appropriate, the advisers and members of Corporate Board Committees who are not members of the Corporate Board itself.

The Corporate Board may request any documents it deems useful for these meetings and, through the Chairman of the Corporate Board, ask the Chairman of the Company or General Management any questions it wishes at the meeting.

Article 15 – Corporate Board Committees

Upon the Chairman's proposal, the Corporate Board may, at its discretion, create one or more Committees to make recommendations to the Corporate Board on specific subjects.

In agreement with the Chairman of the Company, the Corporate Board may also delegate certain decision-making responsibilities falling within its remit pursuant to these Articles of Association or, where applicable, the Company's Internal Rules of Procedure, to the Corporate Board Committees, which shall report on their work and deliberations to the Corporate Board.

The scope of intervention, membership and mode of operation of these Committees shall be determined by the Corporate Board.

The Chairman of the Corporate Board is a permanent member of all the Committees.

Article 16 – Related Party Transactions

Related party transactions are governed by the provisions of the French Commercial Code and all other laws and regulations currently in force.

Article 17 – External Auditors

The Company is audited by one or more Principal External Auditors, who carry out their engagement in accordance with the conditions provided for by law.

The External Auditor(s) shall be appointed by a collective decision of the shareholders for a period of six financial (6) years.

One or more Deputy External Auditors shall be appointed at the same time and for the same period as the Principal External Auditors to replace the latter in the event of refusal, impediment, resignation, death or removal.

PART V – COLLECTIVE DECISIONS OF THE SHAREHOLDERS

Article 18 – Convening of shareholders' consultations and collective decisions

18.1 Convening and purpose of shareholders' consultations

The shareholders are consulted at the initiative of the Chairman of the Company or the Corporate Board as often as required in the Company's interest.

The agenda and draft resolutions as well as the information provided to the shareholders are set by the person who requested the consultation following advice by the Corporate Board, if the consultation was not requested by the latter.

They are submitted to the shareholders in accordance with the terms and conditions provided for below according to the type of collective decision.

The External Auditor(s) are notified of the consultation of the shareholders at the same time and by the same method, or any method provided for by the laws and regulations in force.

18.2 Participation in collective decisions

Every shareholder is entitled to participate in collective decisions and shall have a number of votes equal to the number of shares that he/she holds, irrespective of the number of shares, provided that they have been paid up in full and are registered in his/her name at least five (5) days before the date of the decision. The Chairman of the Company may shorten this time period by way of a general measure benefiting all the shareholders.

Every shareholder may also participate in any collective decisions by granting proxy to another shareholder, who may only hold one proxy, or to the Chairman of the meeting, who may hold an unlimited number of proxies.

Joint owners of undivided shares shall be represented in such procedures by only one of their number or by another shareholder acting as proxy, whose identity shall be notified to the Company. In the event of disagreement, the representative shall be appointed by a court of law at the request of the joint owner who acts first.

Unless the Company is informed by the usufructuary of an agreement to the contrary, voting rights will belong to the usufructuary for decisions regarding the appropriation of net income and to the bare owner for all other decisions

18.3 Types of collective decisions

A shareholders' meeting is held at least once a year within six (6) months of the financial year end to approve the financial statements for the past year (the "General Shareholders' Meeting").

Outside of these meetings, collective decisions may be taken at the discretion of the person who made the request, in shareholders' meetings by written consultation or by private agreement, in accordance with the terms and conditions provided for herein.

18.3.1 Shareholders' meetings

Shareholders' meetings are held at the Company's registered office or at any other location decided by the person who calls the meeting.

The meetings may only deliberate on items set forth in the agenda. However, the shareholders have the power, in all circumstances, to remove one or more Corporate Board members and replace them under the terms and conditions provided for in article 14.1 of these Articles of Association. The meeting may also deliberate on any issues that are not included on the agenda provided that all of shareholders are present in person or by proxy.

Shareholders are notified of meetings by any written means (including by electronic means) with fifteen (15) calendar days' notice. In case of emergency or when all the shareholders are present in person or by proxy, meetings may be called by email and without notice. The notice of meeting shall contain the agenda, date, time and location of the meeting. It shall also include the draft resolutions to be presented to the shareholders and all necessary background documents.

During this 15-day period, each shareholder shall be entitled to submit, in writing, any questions to the Chairman of the Company that are directly related to the agenda items. The Chairman of the Company will endeavour to answer such questions during the meeting, as far as is reasonably practicable.

Shareholders taking part in meetings by videoconference or any other means of telecommunication technology that enables them to be identified shall be deemed to be present at the meeting for quorum and majority purposes.

Shareholders may also vote by post provided that the Company receives their voting forms at least three (3) days before the date of the meeting. If a shareholder chooses to vote by proxy, he/she must send the original of the proxy form to the Company within the same time frame.

Meetings shall be chaired by the Chairman of the Corporate Board or, failing this, by any person appointed by the shareholders. The Chairman shall preside over the deliberations and settle any voting irregularities. He/she shall appoint a secretary of the meeting, who need not necessarily be a shareholder of the Company.

The Chairman of the meeting shall decide whether votes are cast via a show of hands, a secret ballot or by electronic means.

Minutes shall be taken and shall indicate the date, time and location of the meeting, the agenda, the names of the Chairman and secretary of the meeting, the list of documents and reports submitted to the shareholders, if applicable, and a summary of the deliberations, the draft resolutions and the voting results. They are signed by the Chairman and the secretary.

An attendance register is kept for each meeting, signed by the shareholders present or their proxies as they enter the meeting room. For members attending via videoconference or any other means of telecommunication technology, the attendance register may be sent and returned by fax or email. Proxy forms are attached to the attendance sheet, which is then certified as accurate by the Chairman of the meeting.

18.3.2 Written consultation

In the event of a written consultation, the draft resolutions and the necessary background documents shall be sent by the Chairman of the Company or the Corporate Board, depending on the author of the consultation, to each shareholder's last address on file, by any written means (including by electronic means) to enable the shareholder to cast a vote in favour of or against each resolution, or to abstain.

Each shareholder must submit his/her vote to the Company at its registered office for the attention of the Chairman of the Company or the Corporate Board, depending on the author of the consultation, by any written means (including by electronic means) within fifteen (15) days of receiving the aforementioned documents.

During this 15-day period, each shareholder shall be entitled to submit, in writing, any questions to the Chairman of the Company or the Corporate Board, depending on the author of the consultation, that are directly related to the purpose of the consultation. The Chairman of the Company or the Corporate Board will endeavour to answer such questions, by any means, before the end of this period, as far as is reasonably practicable.

If the shareholder fails to vote within the aforementioned time period, he/she shall be considered to have withdrawn from the written consultation process.

The outcome of the written consultation shall be recorded in the minutes, which shall indicate the form and date of the consultation document, the wording of the deliberations and each shareholder's response. The minutes are signed by the Chairman of the Company.

18.3.3 Private agreement

Decisions may be reached via the signing of one or more identical private agreements by each of the shareholders.

18.4 Quorum and majority

To deliberate validly, shareholders, attending in person or represented by a proxy in the case of a shareholders' meeting and those participating in the event of written consultation, must collectively hold at least half of the Company's shares.

All collective decisions, including those relating to amendments to the Articles of Association, particularly in order to extend the term of the Company, shall be adopted on a simple majority vote of the shareholders, except in the case of decisions by private agreement or where a unanimous decision is required by law.

Treasury shares do not carry voting rights and shall not be taken into account when calculating the quorum and the majority.

18.5 Records of decisions

The minutes of collective decisions, whatever form they take, shall be kept in a special register held at the registered office. Copies or excerpts of the minutes may be certified as true and correct by the Chairman of the Company or, where applicable, the secretary of the meeting, or any other person duly empowered by the Chairman of the Company for that purpose.

Article 19 – Scope of shareholders' collective decisions

Without prejudice to the laws and regulations in force, the following decisions fall within the exclusive remit of the shareholders:

- the approval of the statutory financial statements;
- the appropriation of net income and the distribution of dividends, reserves or premiums and any interim dividends;
- the approval of agreements referred to in article L. 227-10 of the French Commercial Code;
- the appointment of one or more External Auditor(s);
- the appointment and removal of Corporate Board members;
- the setting of the overall amount of attendance fees to be paid to Corporate Board members;
- the increase, reduction or redemption of capital as well as any issues of securities granting access to the capital, immediately or in the future, and any share buy-backs;
- any merger, demerger or partial transfer of assets of the Company;
- any change in the Company's legal status;
- any extension of the Company's term;
- the future of the Company if, as a result of losses reflected in the financial statements, the Company's equity falls below half of its share capital;
- the dissolution of the Company;
- the insertion of or amendment to clauses referred to in article L. 227-19 of the French Commercial Code;

- any change of the Company's nationality; and
- any amendments to the Articles of Association, except those regarding the transfer of the Company's registered office or the change of the Company's name.

Any decisions that do not fall expressly within the remit of the shareholders or of the Corporate Board or of another governance body shall fall within the remit of the Chairman of the Company.

Article 20 – Shareholders' right to information

For every consultation of the shareholders, the person having requested the consultation shall provide each shareholder with the draft resolutions submitted to them for their approval as well as any background documents or information necessary to allow them to make an informed decision on said resolutions.

Each shareholder shall also receive, either at the same time as the notice of meeting or within any other time limit set by the applicable laws and regulations, the financial statements that they are required to approve and, if applicable, the reports of the Chairman of the Company, the Corporate Board, the External Auditor(s) or any specially appointed auditors, where the preparation of such reports is required under the laws or regulations in force.

Each shareholder has the right to access, at any time, documents covering the last three financial years, including the annual financial statements, the list of Corporate Board members, the reports of the Chairman of the Company, the Corporate Board and the External Auditor(s) submitted to the shareholders, the wording of and reasons for the draft resolutions, as well as the profiles of candidates for appointment to the Corporate Board and the minutes of the collective decisions.

PART VI – THE COMPANY'S FINANCIAL STATEMENTS

Article 21 – Financial Year

The financial year begins on 1 January and ends on 31 December of each year.

Article 22 – The Company's Financial Statements

The Company shall record its operations in financial statements in accordance with the law and sound business practices.

At the end of each financial year, the Chairman of the Company or the Chief Executive Officer(s), if any have been appointed, shall prepare an inventory of all assets and liabilities at that date.

If one or more Chief Executive Officer(s) have been appointed, they shall prepare the financial statements, reports and necessary documents, which are then approved by the Chairman of the Company after consulting the Corporate Board.

In the event that no Chief Executive Officer has been appointed, these documents shall be prepared by the Chairman of the Company and approved by the Corporate Board.

If appropriate, the External Auditor(s) may be involved in the Chairman of the Company's decision making process and invited to attend the Corporate Board meeting where the financial statements are submitted for the Board's opinion, or, as the case may be, in the Corporate Board's decision-making process. All of the aforementioned documents shall be made available to the External Auditors in accordance with the terms and conditions provided for by law and the applicable regulations.

Each year, the shareholders shall approve the statutory financial statements for the past year within six (6) months following the financial year-end.

Article 23 – Appropriation and distribution of net income

The difference between income and expenses for the financial year, after deduction of depreciation, amortization and provisions, represents the net income or loss for the year. Five (5) per cent of net income, less any prior losses, is allocated to the legal reserve. This allocation is no longer required once the legal reserve reaches an amount equal to one-tenth of the share capital. It shall resume when the reserve falls below that amount for any reason whatsoever.

Distributable net income consists of net income for the financial year, less prior losses carried forward and the above reserve allocation, plus retained earnings. This distributable net income is made available to the shareholders, who may choose, upon the proposal of the Chairman of the Company, either to carry it forward, allocate it to the general or a special reserve, or distribute it to shareholders in the form of a dividend, in whole or in part. The shareholders may also decide to distribute sums deducted from the reserves at their disposal; in this case, the decision shall expressly indicate the reserve accounts from which the deductions are to be made. However, dividends are deducted first from the distributable net income for the financial year. The revaluation reserve cannot be distributed but can be added to the share capital in whole or in part.

The General Shareholders' Meeting called to approve the financial statements for the year may decide to offer each shareholder, for all or part of the dividend distributed, the choice between payment of the dividend in cash or in shares, the issue price of which is set in advance according to the terms and conditions provided by law. This offer must be made simultaneously to all shareholders.

Requests for payment of the dividend in the form of shares must be submitted within the period set by the decision of the shareholders, which may not be later than three (3) months after this decision is taken.

PART VII - DISSOLUTION, LIQUIDATION AND DISPUTES

Article 24 - Liquidation

When the term of the Company expires, or in the event of early dissolution for any reason whatsoever, the Company shall go into liquidation immediately. The Company shall continue to exist as a legal entity for the purposes of liquidation until the liquidation is completed. In such case, the disclosure "company under liquidation" must appear on all deeds and documents issued by the Company.

The powers of the executives shall expire, except with regard to third parties, for disclosure formality purposes. However, the External Auditors shall remain in office.

The shareholders shall appoint one or more liquidators and determine their duties and compensation by a simple majority vote in accordance with the terms and conditions provided for in article 18.4. The liquidator or liquidators shall be removed and replaced in the same manner as for their appointment. Unless otherwise specified, they are appointed for the entire duration of the liquidation.

The Chairman of the Company must submit the financial statements to the liquidator(s) with all the supporting documents required for approval by the shareholders.

All assets are realised and all liabilities are paid. The liquidators shall have the broadest powers to act in this respect, even separately, subject to legal restrictions.

During the liquidation, the liquidators must call the shareholders to an annual meeting under the same terms and conditions as during the life of the Company.

They shall also consult or call the shareholders to a meeting whenever they deem it useful or necessary. The shareholders may be provided with Company documents under the same terms and conditions as before.

At the end of the liquidation process, the shareholders shall be asked to approve the final financial statements drawn up by the liquidators, grant the liquidators discharge and record the completion of the liquidation, in accordance with the terms and conditions laid down for the adoption of collective decisions.

If the liquidators and auditors fail to call the meeting, the President of the Commercial Court (*Tribunal de Commerce*), ruling in summary proceedings, may appoint an agent to do so at the request of any shareholder.

If the meeting to complete the liquidation cannot deliberate or refuses to approve the liquidator's final financial statements, the Commercial Court shall rule on the financial statements at the request of the liquidator or any interested party. The net assets are shared equally between all the shares after repayment of their nominal value.

All decisions taken by the shareholders during or at the close of the liquidation process shall be adopted on a simple majority vote of the shareholders in accordance with the terms and conditions provided for in article 18.4.

Article 25 - Disputes

In the course of the Company's life as well as during the liquidation, any and all disputes, whether between shareholders, members of the Corporate Board and the Company or between the shareholders themselves, regarding the Company's affairs or the interpretation or enforcement of any provisions of the Articles of Association, shall be settled in accordance with the law and submitted to the competent court.



If you have any questions, please do not hesitate
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