

## ANNUAL MEETING

- *Approval of the 2004 financial statements of the Company* p. 14
- *Approval of the 2004 financial statements of the Group* p. 14
- *Approval of regulated agreements* p. 14
- *Transfer of the special long-term capital gains reserve, appropriation of 2004 net income and payment of a dividend* p. 15
- *Re-election of Renaud d'Elissagaray as member of the Supervisory Board* p. 16
- *Re-election of Franck Riboud as member of the Supervisory Board* p. 16
- *Election of Paul Dubrule as member of the Supervisory Board* p. 16
- *Election of Thomas J. Barrack as member of the Supervisory Board* p. 17
- *Election of Sébastien Bazin as member of the Supervisory Board* p. 17
- *Election of Dominique Marcel as member of the Supervisory Board* p. 17
- *Directors' fees payable to the members of the Supervisory Board* p. 18
- *Authorization given to the Management Board to trade in the Company's shares* p. 18

## EXTRAORDINARY MEETING

- *Issuance of convertible bonds with suppression of preferential subscription rights of shareholders for the benefit of an identified person* p. 20
- *Issuance of redeemable bonds with suppression of preferential subscription rights of shareholders for the benefit of an identified person* p. 20
- *Authorization given to the Management Board to reduce the capital by canceling shares* p. 46
- *Authorization to be given to the Management Board to issue shares and share equivalents with pre-emptive subscription rights* p. 47
- *Authorization to be given to the Management Board to issue shares and share equivalents without pre-emptive subscription rights* p. 48
- *Authorization to be given to the Management Board to issue shares of other securities representing a maximum of 10% of the capital in payment for assets contributed to the company* p. 50
- *Authorization to increase the amount of any issues that are over-subscribed* p. 51
- *Authorization to be given to the Management Board to issue shares to be paid up by capitalizing retained earnings, income, additional paid-in capital or any other eligible amounts* p. 52
- *Blanket ceiling on the authorizations to issue shares and share equivalents* p. 53
- *Authorization to be given to the Management Board to issue shares and share equivalents to employees who are members of an Accor Group employee stock ownership plan* p. 54
- *Authorization to be given to the Management Board to make stock grants without consideration* p. 55
- *Amendment of the bylaws to reflect the provisions of the Commercial Code amended by government order no. 2004-604 of June 24, 2004 as ratified by the Act to streamline legislative provisions* p. 56
- *Reduction in the term of office of members of the Supervisory Board and amendment of Article 16 of the bylaws* p. 57
- *Powers to carry formalities* p. 57



# Purpose and texts of the resolutions submitted to shareholders in annual and extraordinary meeting

## ANNUAL SHAREHOLDERS' MEETING

*The following resolutions are subject to the quorum and majority voting rules applicable to Ordinary Shareholders' Meetings*

### Approval of the 2004 financial statements of the Company

#### Purpose

The purpose of the **first resolution** is to approve the **2004 financial statements of Accor SA**.

In accordance with the provisions of Article L.225-100, paragraph 3, of the Commercial Code, shareholders will also be invited to approve the **consolidated financial statements**, in the **second resolution**.

#### Full texts

##### FIRST RESOLUTION

###### Approval of the 2004 financial statements of the Company

The Annual Meeting, having considered the reports of the Management Board and the Supervisory Board as well as the Auditors' report on the financial statements, approves the report of the Management Board in its entirety and the financial statements of the Company for the year ended December 31, 2004, as presented.

The Annual Meeting also approves the transactions reflected in the financial statements and the action taken by the Management Board during the year.

##### SECOND RESOLUTION

###### Approval of the 2004 financial statements of the Group

The Annual Meeting, having considered the reports of the Management Board and the Supervisory Board as well as the Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2004, as presented.

### Regulated Agreements

#### Purpose

The **third resolution** concerns regulated agreements governed by Article L.225-86 of the Commercial Code, which were approved by the Supervisory Board during 2004 and are described in the Auditors' Special Report.

#### Full text

##### THIRD RESOLUTION

###### Approval of regulated agreements

The Annual Meeting, having considered the Auditors' special report on agreements governed by Article L.225-86 of the Commercial Code approves the

agreements referred to therein and the transactions carried out under the agreements approved in prior years.

## Transfer of the long-term capital gains reserve, appropriation of 2004 net income and determination of the dividend

### Purpose

The **fourth resolution** concerns the transfer of the special long-term capital gains reserve, appropriation of net income for the year, and the payment of a dividend.

#### Appropriation of the special long-term capital gains reserve

Under the amended 2004 Finance Act, companies that are liable for corporate income tax are required to transfer the amounts carried in the special long-term capital gains reserve to "Ordinary Reserves" up to a maximum of € 200 million. The transfer must be made before December 31, 2005. Exit tax is due at the rate of 2.5% on the portion of the amount transferred in excess of € 500,000. In the financial statements, the exit tax is deducted from "Ordinary Reserves".

Shareholders are asked to note the measures taken in application of this new Act, in particular that the 2.5% exit tax (€ 1,708,895.40) must be deducted from the ordinary reserve created through the transfer of long-term capital gains. We therefore recommend:

- Transferring the total amount recorded in the special long-term capital gains reserve to "Other Reserves".
- Deducting from "Ordinary Reserves" the amount of € 1,708,895.40, corresponding to the 2.5% exit tax, plus € 330,982.10, corresponding to 2.5% exit tax on long-term capital gains appropriated to the legal reserve in prior years.

#### Income available for distribution

■ 2004 net income	€ 221,466,906.96
plus:	
■ Retained earnings brought forward from the prior year	€ 520,025,161.72
■ Prior year dividends not paid out on treasury stock	€ 1,605,167.55
■ Reserve corresponding to overpayments of withholding tax dividend	€ 3,971,240.80
Total income available for distribution	€ 747,068,477.03

#### Recommended appropriations

■ To the legal reserve	€ 396,413.38
■ To dividends	€ 268,723,661.70
■ To retained earnings	€ 477,948,401.95

#### Appropriation of profit and determination of the dividend

The 2004 dividend per share recommended by the Management Board amounts to € 1.30 per share, corresponding to an ordinary dividend of € 1.05 per share – unchanged from 2003 – and a special dividend of € 0.25 per share to take into account the exceptional nature of the transactions presented for approval in the thirteenth and fourteenth resolutions.

The dividend for each of the last three years (2003, 2002 and 2001) amounted to € 1.05 per share.

Under the terms of the 2004 Finance Act (Act no. 2003-1311 dated December 30, 2003), shareholders will not receive any *avoir fiscal* tax credit on the dividend; however, eligible shareholders may claim the 50% tax relief provided for in Article 158.3.2 of the General Tax Code.

The recommended dividend is based on the following recommended appropriations:

### Full text

#### FOURTH RESOLUTION

##### Transfer of the special long-term capital gains reserve, appropriation of 2004 net income and payment of a dividend

The Annual Meeting, on the recommendation of the Management Board, notes that under the amended 2004

Finance Act (Act no. 2004-1485 dated December 30, 2004), amounts carried in the special long-term capital gains reserve must be transferred to an ordinary reserve account before December 31, 2005 and that the 2.5% exit tax due on the transferred amounts in accordance



## Purpose and texts of the resolutions

with the terms of the above Act must be deducted from the ordinary reserve created through the transfer from the special long-term capital gains reserve.

The Annual Meeting approves the recommendation of the Management Board and resolves to:

- Transfer the total amount of € 68,855,816.00 carried in the special long-term capital gains reserve to “Ordinary Reserves”, and

The Annual Meeting approves the recommendation of the Management Board and resolves:

1. to appropriate

■ 2004 net income	€ 221,466,906.96
-------------------	------------------

plus:

■ Retained earnings brought forward from the prior year	€ 520,025,161.72
■ Prior year dividends not paid out on treasury stock	€ 1,605,167.55
■ Reserve corresponding to overpayments of withholding tax dividend	€ 3,971,240.80

<b>Representing total income available for distribution of</b>	<b>€ 747,068,477.03</b>
--	-------------------------

As follows:

■ To the legal reserve	€ 396,413.38
■ To dividends	€ 268,723,661.70
■ To retained earnings	€ 477,948,401.95

2. Accordingly, after noting the existence of income available for distribution, the Annual Meeting resolves to pay a dividend of € 1.30 on each of the 206,710,509 outstanding shares carrying rights to the 2004 dividend.

3. Under the terms of the 2004 Finance Act (Act no. 2003-1311 dated December 30, 2003), shareholders will not receive any *avoir fiscal* tax credit on the dividend; however, eligible shareholders may claim the 50% tax relief provided for in Article 158.3.2 of the General Tax Code.

4. The dividend will be paid as of May 17, 2005.

- Deduct from “Ordinary Reserves” the amount of € 1,708,895.40, corresponding to the 2.5% exit tax, plus € 330,982.10, corresponding to 2.5% exit tax on long-term capital gains appropriated to the legal reserve in prior years, representing a total tax charge of € 2,039,877.50.

As required by law, the Annual Meeting notes that dividends per share and related *avoir fiscal* tax credits for the last three years were as follows:

€	2001	2002	2003
<b>Dividend</b>	1.050	1.050	1.050
<b>Avoir fiscal tax credit<sup>(1)</sup></b>	0.525	0.525	0.525
<b>Total revenue</b>	1.575	1.575	1.575

(1) Based on a 50 % tax credit.

## Supervisory Board

### Purpose

The terms of **Renaud d'Elissagaray** and **Franck Riboud** as independent members of the Supervisory Board expire at this meeting. The purpose of the **fifth and sixth resolutions** is to re-elect them to the Supervisory Board.

**Renaud d'Elissagaray**'s main other directorship is on the Board of Arca-Banque du Pays Basque. **Franck Riboud** is Chairman and Chief Executive Officer of Danone. Among his other functions, he is a director of Renault and L'Oréal.

In the **seventh resolution**, shareholders are asked to elect **Paul Dubrule** as member of the Supervisory Board. Paul Dubrule is Co-Chairman and Co-Founder of Accor. Among his other functions, he is a director of Crédit Commercial de France.

The purpose of the **eighth and ninth resolutions** is to elect **Thomas J. Barrack** and **Sébastien Bazin** as members of the Supervisory Board, subject to the condition precedent of completion of the transactions presented for approval in the thirteen and fourteenth resolutions.

Thomas J. Barrack is Founder, Chairman, and Chief Executive Officer of Colony Capital Prior to the formation of Colony, Mr. Barrack held several positions of which, among others, principal with the Robert M. Bass Group ("RMBG"). Mr. Barrack serves on the Board of Directors of such publicly-traded companies as Continental Airlines, Inc. and First Republic Bank.

Mr. Sébastien Bazin, is Principal Managing Director Europe and Chief Executive Officer Europe of Colony Capital SAS, European subsidiary of Colony. Mr. Bazin is Director of Lucia and serves on the Supervisory Board of Groupe Lucien Barrière SAS.

The **tenth resolution** concerns the election of **Dominique Marcel** to the Supervisory Board. Dominique Marcel is Vice President, Finance and Strategy, and member of the Executive Committee of Caisse des Dépôts et Consignations. He is also a member of the Supervisory Board and Audit Committee of Caisse Nationale des Caisses d'Epargne, and member of the Supervisory Board of Crédit Foncier.

If these resolutions are voted, the Supervisory Board will have fifteen members.

These six members will be elected for a **four-year term**, provided that shareholders approve the amendment to the bylaws proposed in the twenty-fifth resolution, reducing the term of Supervisory Board members from six to four years.

The **eleventh resolution** concerns the annual directors' fees to be paid by Accor SA to the members of the Supervisory Board. These fees are allocated among members based on their attendance rate at Supervisory Board meetings. Annual attendance fees have been set at € 276,000 since the Annual Meeting of May 29, 2001. Shareholders are asked to raise this amount to € 305,000, to take into account the increase in the number of Supervisory Board members in 2004, with the average fee per member remaining unchanged.

## Texte intégral

### FIFTH RESOLUTION

#### Re-election of Renaud d'Elissagaray as member of the Supervisory Board

The Annual Meeting re-elects **Renaud d'Elissagaray** as member of the Supervisory Board, for a term – subject to adoption of the twenty-fifth resolution – of four years expiring at the close of the Annual Meeting to be called to approve the 2008 financial statements.

### SIXTH RESOLUTION

#### Re-election of Franck Riboud as member of the Supervisory Board

The Annual Meeting re-elects **Franck Riboud** as member of the Supervisory Board, for a term – subject to adoption of the twenty-fifth resolution – of four years expiring at the close of the Annual Meeting to be called to approve the 2008 financial statements.

### SEVENTH RESOLUTION

#### Election of Paul Dubrule as member of the Supervisory Board

The Annual Meeting elects **Paul Dubrule** as member of the Supervisory Board, for a term – subject to adoption

of the twenty-fifth resolution – of four years expiring at the close of the Annual Meeting to be called to approve the 2008 financial statements.

### EIGHTH RESOLUTION

#### Election of Thomas J. Barrack as member of the Supervisory Board

The Annual Meeting elects **Thomas J. Barrack** as member of the Supervisory Board, for a term – subject to adoption of the twenty-fifth resolution – of four years expiring at the close of the Annual Meeting to be called to approve the 2008 financial statements, subject to the condition precedent of completion of the transactions presented for approval in the thirteen and fourteenth resolutions.

### NINTH RESOLUTION

#### Election of Sébastien Bazin as member of the Supervisory Board

The Annual Meeting elects **Sébastien Bazin** as member of the Supervisory Board, for a term – subject to adoption of the twenty-fifth resolution – of four years expiring at the close of the Annual Meeting to be called to approve



## Purpose and texts of the resolutions

the 2008 financial statements, subject to the condition precedent of completion of the transactions presented for approval in the thirteen and fourteenth resolutions.

### TENTH RESOLUTION

#### **Election of Dominique Marcel as member of the Supervisory Board**

The Annual Meeting elects Dominique Marcel as member of the Supervisory Board, for a term – subject to adoption of the twenty-fifth resolution – of four years expiring at the close of the Annual Meeting to be called to approve the 2008 financial statements.

### ELEVENTH RESOLUTION

#### **Directors' fees payable to the members of the Supervisory Board**

The Annual Meeting, having considered the report of the Management Board, resolves to set total annual directors' fees for the twelve months ending December 31, 2005 at € 305,000.

## Authorization to trade in the Company's shares

### Purpose

The purpose of the **twelfth resolution** is to renew the Management Board's authorization to trade in Accor SA shares on the Company's behalf, subject to compliance with the applicable laws. The authorization is being sought for a period of 18 months and will supersede the previous authorization given at the May 4, 2004 Annual Meeting (seventh resolution).

**The aims of the share buyback program** are listed in the resolution to be put to the vote and also in the Information Memorandum approved by the *Autorité des Marchés Financiers*, which has been published by the Company and can also be downloaded from the Accor website ([www.accor.com](http://www.accor.com)).

The maximum purchase price will be set at € 50 and the minimum sale price at € 30. The Company will not be authorized to purchase more than 19 million shares under the authorization, representing a maximum total investment of € 950 million.

The current authorization was not utilized during 2004 and the number of Accor shares held in treasury stock at December 31, 2004 was unchanged compared with the previous year-end, at 1,528,731 shares, representing 0.74% of the Company's issued capital at that date. Under the terms of the agreement with Caisse des Dépôts et Consignations concerning the purchase of 1,500,000 Club Méditerranée shares, Accor may be called on to make an earn-out payment in shares of 550,000 shares. The balance of the treasury shares will be dedicated for part to purchase shares for allocation in payment of employee profit shares or for share grants to employees and/or officers of the Company and/or any companies in the Group, and for part, to maintain a liquid market for the Company's shares under a liquidity contract from an investment service provider that complies with a code of ethics recognized by *Autorité des Marchés Financiers*.

### Full text

#### **TWELFTH RESOLUTION**

##### **Authorization given to the Management Board to trade in the Company's shares**

The Annual Meeting, having considered the report of the Management Board and the information memorandum approved by the *Autorité des Marchés Financiers*, authorizes the Management Board, pursuant

to Article L.225-209 of the Commercial Code and European Commission Regulation dated December 22, 2003, to trade in the Company's shares as specified herein.

The Management Board may purchase, sell or transfer shares under this authorization, subject to compliance with the above laws and regulations and in accordance

with the practices authorized by the *Autorité des Marchés Financiers*, for the following purposes:

- To maintain a liquid market for the Company's shares under a liquidity contract that complies with a code of ethics recognized by *Autorité des Marchés Financiers*, through an investment service provider acting in the Company's name and on the Company's behalf on a fully independent basis.
- To purchase shares for allocation on exercise of stock options, under a plan governed by Articles L.225-177 et seq. of the Commercial Code, or under an employee stock ownership plan governed by Articles L.443-1 et seq. of the Commercial Code or in connection with stock grants without consideration governed by Articles L.225-197.1 et seq. of the Commercial Code ;
- To purchase shares for delivery or exchange, upon exercise of rights attached to securities carrying immediate or future rights to capital or in connection with external growth transactions.
- To purchase shares for cancellation – including any shares bought back under earlier authorizations – provided that such cancellation is authorized by shareholders in Extraordinary Meeting.
- To purchase shares for allocation on the conversion, redemption, exchange or exercise of share equivalents at a date or period determined by the Management Board or the person acting on the authority of the Management Board, under the terms stipulated by the *Autorité des Marchés Financiers*.

The shares may not be purchased at a price of more than € 50 and may not be sold at a price of less than € 30. However, the minimum price will not apply to shares sold on exercise of stock options (or allocated to employees without consideration). In such cases, the sale price or consideration will be determined in accordance with the provisions of the plan concerned. The maximum purchase price and the minimum sale price

will be adjusted to reflect the impact of any corporate actions, including any bonus share issue paid up by capitalizing reserves, or any stock-split or reverse stock-split.

In application of Article 179-1 of the decree of March 23, 1967 on trading companies, the Annual Meeting sets at 19 million the maximum number of shares that may be acquired under this authorization, corresponding to a total investment of no more than € 950 million based on the maximum purchase price of € 50 per share authorized above.

The Annual Meeting resolves that (i) the purchase, sale or transfer of shares may be effected and settled by any method, in one or several installments, on the market or over-the-counter, including through the use of options, derivatives – particularly, the purchase of call options – or securities carrying rights to Company shares, on terms accepted by the securities regulator, and that (ii) the entire buyback program may be implemented through a block trade.

The Company may use this resolution and continue to implement the share buyback program while a public tender offer launched by the Company or by a potential buyer of the Company is in progress.

The Annual Meeting gives full powers to the Management Board to use this authorization, place any and all buy and sell orders, enter into any and all agreements, carry out any and all reporting and other formalities (including with the *Autorité des Marchés Financiers*, in accordance with the applicable regulations) and generally do whatever is necessary to implement this resolution. These powers may be delegated to another person subject to compliance with the law and the Company's bylaws.

This authorization is given for a maximum period of eighteen months. It supersedes an earlier authorization given to the Management Board in the seventh resolution of the Annual Meeting of May 4, 2004.





## Purpose and texts of the resolutions

### EXTRAORDINARY MEETING

The following resolutions are subject to the quorum and majority voting rules applicable to Extraordinary Meetings.

#### Issuance of convertible bonds with suppression of preferential subscription rights of shareholders for the benefit of an identified person and issuance of redeemable bonds with suppression of preferential subscription rights of shareholders for the benefit of an identified person

##### Purpose

**Resolutions 13 and 14** relate to the issue of bonds convertible and redeemable into shares with suppression of the preferential subscription rights of shareholders for the benefit of Collife S.à.r.l., a company controlled by Colony Capital. The aggregate amount of this investment is in the range of € 1 billion.

Colony Capital, an international private equity fund specialised in real estate and hotel business, has been Accor's partner since 1998 in the hotel and gambling businesses.

##### Description of the transaction

The proposed transaction would enable the Group to strengthen its shareholders' equity, drive faster expansion and leverage on Colony Capital's world-class expertise in hotel development. For all these reasons, Colony Capital's investment represents a catalyst to improve the performance of Accor's stock.

The investment of Colony Capital would be structured as follows:

- issue of five-year bonds convertible into shares (the **"Convertible Bonds"**) in an aggregate amount of 499,999,700 euros, paying interest at 3.25% per year, at an issue price of € 4,300 per Convertible Bond, which based on a conversion ratio of 100 shares per Convertible Bond represents a premium of 21% on the 20 trading day average price of the Accor share as of 8 March 2005, last trading day before the announcement of the transaction; and
- issue of three-year bonds redeemable into shares (the **"Redeemable Bonds"** and together with the Convertible Bonds, the **"Bonds"**) in an aggregate amount of 499,999,500 euros, paying interest at 4.50% per year, at an issue price of € 3,900 per Redeemable Bond, which based on a conversion ratio of 100 shares per Redeemable Bond represents a premium of 10% on the 20 trading day average price of the Accor share as of 8 March 2005, last trading day before the announcement of the transaction.

This transaction has been unanimously approved by your Supervisory Board on 8 March 2005. Your Supervisory Board and Management Board believe that such a transaction is in the best interest of Accor since it would result in creating a true partnership with Colony Capital, a strategic investor in the real estate and hotel business.

Furthermore, the pricing of transaction represents a significant premium on the Accor share price at the announcement date of the transaction. With respect to the Convertible Bonds, the issue price represents a premium of 21%, 26% and 28%, respectively, on the weighted average Accor share price over one, two and three months as of 8 March 2005. With respect to the Redeemable Bonds, the issue price represents premiums of 10%, 15% and 16%, respectively, on the weighted average share price over one, two and three months as of 8 March 2005.

In connection with this partnership, it is proposed to suppress the preferential subscription rights of shareholders on the Bonds for the benefit of Collife S.à.r.l., or any of its Luxemburg affiliates (the **"Subscriber"**), companies which are controlled by Colony Capital.

This partnership is based on the agreement entered into between Accor and the Subscriber on March 8, 2005, under which the Subscriber undertook to subscribe to the Bonds, subject to the fulfilment of certain conditions precedent (notably the absence of any material adverse change and the approval of the relevant regulatory authorities).

The Subscriber will have two representatives at your Supervisory Board (on condition that the Subscriber maintains its stake in Accor above certain threshold). It is proposed to proceed with the appointment of MM. Thomas Barrack and Sébastien Bazin pursuant to Resolutions eight and nine; Mr. Sébastien Bazin would chair the Engagement Committee, which would be created upon consummation of the transaction. This Engagement Committee would issue recommendations to the Supervisory Board with respect to certain significant

transactions for the Group (eg. significant acquisitions, divestments and investments).

In connection with this partnership, the Subscriber has made certain undertakings to Accor, including:

- undertaking not to increase its stake in the Company (standstill) until 6 months after the redemption or conversion in full of the Bonds;
- undertaking not to transfer the Bonds to any third-party;
- undertaking not to short-sell securities to cover its exposure on the Convertible Bonds or the Redeemable Bonds until 6 months after the redemption or conversion in full of the Bonds in question; and
- upon conversion or redemption of the Bonds, undertaking to ensure the orderly disposal of the underlying shares in order to minimize the impact of this disposal on the Company's share price.

These undertakings are subject to certain exceptions, including in the case of a "Release Event" under the Bonds (for further details, see below a description of the terms and conditions of the Bonds).

## 1. Shares

### Impact on a holder of shares representing 1% of the Company share capital prior to the transaction:

	in %
■ Before issue of the Bonds <sup>(1)</sup> :	<b>1</b>
■ After conversion and redemption into new shares of the Bonds <sup>(2)</sup> :	<b>0.89</b>
■ After conversion and redemption into new shares of the Bonds and the other bonds convertible or exchangeable into new shares issued by the Company in 2002 (the "2002 OCEANE") and 2003 (the "2003 OCEANE") <sup>(3) (4)</sup> :	<b>0.82</b>

(1) Based on a number of Company shares of 206,710,509, as of 8 March 2005.

(2) Before any adjustments.

(3) 2002 OCEANE: number of underlying Accor shares of 6,834,263 after the redemption in cash of one third of the aggregate principal amount of the 2002 OCEANE on 1 January 2005 and taking into account the adjustment of the conversion/exchange ratio following the issue of the redeemable bonds (ORANE) in July 2004.

(4) 2003 OCEANE: 15,304,348 underlying Accor shares.

Finally, the agreements entered into between Accor and the Subscriber include representations, warranties and indemnification provisions, customary for this type of transactions.

### Impact of the issue of the Bonds and their conversion and redemption into new shares on the situation of every holder of shares or securities giving access to shares, in particular its portion of shareholders equity as of the close of financial year ended 31 December 2004.

The impact of the issue of the Bonds and the conversion and redemption into new shares of the Company of all of the Bonds (excluding any adjustments of the conversion/redemption ratio) is described below. Resolutions thirteen and fourteen relating to the Convertible Bonds and the Redeemable Bonds may not be approved separately; therefore, their impact is set forth without making the distinction between the Convertible Bonds and the Redeemable Bonds.





## Purpose and texts of the resolutions

### Impact on the consolidated shareholders' equity per share as of 31 December 2004 (French GAAP)

31 Dec. 2004	€
■ Before issue of the Bonds	<b>(18.6)</b>
■ After conversion and redemption of the Bonds into new shares	<b>(21.0)</b>
■ After conversion and redemption of the Bonds, the 2002 OCEANE <sup>(1)</sup> and the 2003 OCEANE into new shares	<b>(23.2)</b>

(1) 2002 OCEANE: number of underlying Accor shares of 6,834,263 after the redemption in cash of one third of the aggregate principal amount of the 2002 OCEANE on 1 January 2005 and taking into account the adjustment of the conversion/exchange ratio following the issue of the redeemable bonds (ORANE) in July 2004.

#### 2. 2002 OCEANE

### Impact on a holder of a number of 2002 OCEANE giving right upon conversion or exchange to 1% of the Company share capital prior to the transaction

	in %
■ Before conversion/exchange of the 2002 OCEANE into new shares and issue of the Bonds	<b>0</b>
■ After conversion/exchange of the 2002 OCEANE into new shares and before issue of the Bonds	<b>0.99</b>
■ After conversion/exchange of the 2002 OCEANE and conversion and redemption of the Bonds into new shares	<b>0.89</b>
■ After conversion and redemption of the Bonds, the 2002 OCEANE <sup>(1)</sup> and the 2003 OCEANE into new shares	<b>0.82</b>

(1) 2002 OCEANE: number of underlying Accor shares of 6,834,263 after the redemption in cash of one third of the aggregate principal amount of the 2002 OCEANE on 1 January 2005 and taking into account the adjustment of the conversion/exchange ratio following the issue of the redeemable bonds (ORANE) in July 2004.

### Impact on the consolidated shareholders' equity per share as of 31 December 2004 (French GAAP)

31 Dec. 2004	€
■ Before conversion/exchange of the 2002 OCEANE into new shares and issue of the Bonds	<b>(18.6)</b>
■ After conversion/exchange of the 2002 OCEANE into new shares and before issue of the Bonds	<b>(19.0)</b>
■ After conversion/exchange of the 2002 OCEANE and conversion and redemption of the Bonds into new shares	<b>(21.3)</b>
■ After conversion and redemption of the Bonds, the 2002 OCEANE <sup>(1)</sup> and the 2003 OCEANE into new shares	<b>(23.2)</b>

(1) 2002 OCEANE: number of underlying Accor shares of 6,834,263 after the redemption in cash of one third of the aggregate principal amount of the 2002 OCEANE on 1 January 2005 and taking into account the adjustment of the conversion/exchange ratio following the issue of the redeemable bonds (ORANE) in July 2004.

### 3. 2003 OCEANE

#### Impact on a holder of a number of 2003 OCEANE giving right upon conversion or exchange to 1% of the Company share capital prior to the transaction

	in %
■ Before conversion/exchange of the 2003 OCEANE into new shares and issue of the Bonds	<b>0</b>
■ After conversion/exchange of the 2003 OCEANE into new shares and before issue of the Bonds	<b>0.99</b>
■ After conversion/exchange of the 2003 OCEANE and conversion and redemption of the Bonds into new shares	<b>0.89</b>
■ After conversion and redemption of the Bonds, the 2002 OCEANE <sup>(1)</sup> and the 2003 OCEANE into new shares	<b>0.82</b>

(1) 2002 OCEANE: number of underlying Accor shares of 6,834,263 after the redemption in cash of one third of the aggregate principal amount of the 2002 OCEANE on 1 January 2005 and taking into account the adjustment of the conversion/exchange ratio following the issue of the redeemable bonds (ORANE) in July 2004.

#### Impact on the consolidated shareholders' equity per share as of 31 December 2004 (French GAAP)

31 Dec. 2004	€
■ Before conversion/exchange of the 2003 OCEANE into new shares and issue of the Bonds	<b>(18.6)</b>
■ After conversion/exchange of the 2003 OCEANE into new shares and before issue of the Bonds	<b>(19.0)</b>
■ After conversion/exchange of the 2003 OCEANE and conversion and redemption of the Bonds into new shares:	<b>(21.2)</b>
■ After conversion and redemption of the Bonds, the 2002 OCEANE <sup>(1)</sup> and the 2003 OCEANE into new shares	<b>(23.2)</b>

(1) 2002 OCEANE: number of underlying Accor shares of 6,834,263 after the redemption in cash of one third of the aggregate principal amount of the 2002 OCEANE on 1 January 2005 and taking into account the adjustment of the conversion/exchange ratio following the issue of the redeemable bonds (ORANE) in July 2004.

### 4. Theoretical impact on the Accor share price

31 Dec. 2004	€
■ Share price before issue of the Bonds <sup>(1)</sup>	<b>35.42</b>
■ After conversion and redemption of the Bonds into new shares <sup>(2) (3)</sup>	<b>36.00</b>
■ After conversion and redemption of the Bonds, the 2002 OCEANE <sup>(4)</sup> and the 2003 OCEANE into new shares <sup>(5)</sup>	<b>36.79</b>

(1) 20 trading day average price of the Accor share as of 8 March 2005 (source: Fininfo).

(2) Issue price of the new shares to be issued upon redemption of the Redeemable Bonds of 39 euros (before any adjustments).

(3) Issue price of the new shares to be issued upon conversion of the Convertible Bonds of 43 euros (before any adjustments).

(4) Issue price of the new shares to be issued upon conversion/exchange of the 2002 OCEANE, adjusted to take into account the redemption in cash of one third of their aggregate principal amount on 1 January 2005, of 55.60 euros.

(5) Issue price of the new shares to be issued upon conversion/exchange of the 2003 OCEANE of 40.25 euros.



## Purpose and texts of the resolutions

### Principal terms and conditions of the Convertible Bonds

Below is a description of the principal terms and conditions of the Convertible Bonds. Please refer to the text of Resolution thirteen for a complete description.

#### Number of Convertible Bonds

116,279 Convertible Bonds will be issued, each convertible into 100 new shares of the Company (subject to certain adjustments described below), each having a par value of € 3.

#### Issue Price

The Convertible Bonds will be issued at par, ie. at their nominal value of € 4,300.

#### Interest

The Convertible Bonds will bear interest at a rate 3.25% per year, payable quarterly.

#### Redemption at Maturity

The Convertible Bonds will be redeemed in cash at the fifth anniversary of the issue date.

#### Maximum amount of the Capital Increase

The maximum number of new shares (excluding the adjustments described below) that may be issued upon conversion of all of the Convertible Bonds amounts to 11,627,900 shares corresponding to an amount of capital of € 34,883,700.

#### Conversion

Each Convertible Bond will be convertible into new shares (i) in whole, starting on 1 January 2007, (ii) prior to 1 January 2007, on a number of Convertible Bonds representing 10% of the total number of Convertible Bonds, or (iii) prior to 1 January 2007, upon the occurrence of a Release Event (see below).

#### Maintenance of Holder's Rights – Adjustment of Conversion Ratio

Resolution thirteen sets forth certain events that trigger an adjustment of the conversion ratio, which are mandatory under applicable law and/or customary. Besides these adjustments, the parties have agreed that the conversion ratio will also be adjusted if the 2004 dividend is higher than € 1.10 per share or in the event of a conversion between January 1<sup>st</sup> and the date of payment of an annual dividend.

### Events of Default

The Convertible Bonds may be immediately due and payable in the event of:

- non-payment of principal or interest;
- breach of other obligations under the Convertible Bonds;
- insolvency or winding-up etc..;
- cross-acceleration;
- security enforced; or
- Company shares are no longer listed on Euronext.

### Material Disagreements

The events set forth below shall constitute material disagreements for purposes of the Convertible Bonds (each a "Material Disagreement"):

- a Change of Influence (i.e. the acquisition of more than 9.9% of the capital, directly or indirectly, by a third party) has occurred (i) with the support of the Supervisory Board, the representatives of the Subscriber having voted against it, or (ii) with the relevant significant shareholder being granted by the Company any specific right.
- if any representative of the Subscriber is (i) removed and not replaced by another person proposed by the Subscriber or (ii) not reappointed at the end of his term;
- if (i) the Engagement Committee no longer includes a representative of the Subscriber, as member and chairperson, or if (ii) any of the governing rules or powers of the Engagement Committee is modified without the prior written approval of the representative of the Masse; or
- if the Supervisory Board formally approves a proposed action on any of the matters that fall within the scope of powers of the Engagement Committee and any representative of the Subscriber having voted against it.

In the event of a Material Disagreement and after notice has been given by the representative of the Masse, the Company shall use its best efforts to redeem the Convertible Bonds in cash within 6 months from the occurrence of the Material Disagreement.

If the Convertible Bonds have not been redeemed at the end of such 6 month period, the Convertible Bonds will be redeemable, at their maturity or in the event of an early redemption, at an amount equal to 102% of their nominal value.

It is expressly provided that this paragraph relating to Material Disagreements shall terminate (*caducité*) to the extent the remaining investment of the Subscriber and its affiliates in Accor is less than € 400,000,000.

#### Release Events

Each Bondholder will be entitled to exercise its conversion right after the occurrence of any of the following events:

- any Event of Default (see above);
- a Similar Transaction (ie. an issue of securities reserved to an identified person or group of persons in consideration for cash);
- the filing by any third party with the *Autorité des Marchés Financiers* of a takeover bid (*offre publique*) for the shares of the Company;
- any Material Disagreement;
- a Change of Influence unless (x) it has occurred with the support of the Supervisory Board and (y) the representative of the Subscriber voted for such support at the Supervisory Board; or
- if the Company would be prevented by French law from making payment to the holder of Convertible Bonds of the full amounts then due and payable.

#### New Shares

The new shares will be fully assimilated to the existing shares and will be listed on Euronext Paris.

#### Masse

The holders of Convertible Bonds will be grouped together in masse, except if there is only one holder, in which case it shall exercise all rights of the representative of the masse.

### Principal terms and conditions of the Redeemable Bonds

Below is a description of the principal terms and conditions of the Redeemable Bonds. Please refer to the text of Resolution fourteen for a complete description.

#### Number of Redeemable Bonds

128,205 Redeemable Bonds will be issued, each redeemable into 100 new shares of the Company (subject to certain adjustments described below), each having a par value of € 3.

#### Issue Price

The Redeemable Bonds will be issued at par, ie. at their nominal value of € 3,900.

#### Interest

The Redeemable Bonds will bear interest at a rate 4.50% per year, payable quarterly.

#### Redemption at Maturity

The Redeemable Bonds will be redeemed in cash at the third anniversary of the issue date.

#### Maximum amount of the Capital Increase

The maximum number of new shares (excluding the adjustments described below) that may be issued upon redemption of all of the Redeemable Bonds amounts to 12,820,500 shares corresponding to an amount of capital of € 38,461,500.

#### Redemption into Shares

Each Redeemable Bond will be redeemable into new shares (i) in whole, starting on 1 January 2007, (ii) prior to 1 January 2007, on a number of Redeemable Bonds representing 10% of the total number of Redeemable Bonds, or (iii) prior to 1 January 2007, upon the occurrence of a Release Event (see below).

#### Maintenance of Holder's Rights – Adjustment of Redemption Ratio

Resolution fourteen sets forth certain events that trigger an adjustment of the redemption ratio, which are mandatory under applicable law and/or customary. Besides these adjustments, the parties have agreed that the redemption ratio will also be adjusted if the 2004 dividend is higher than € 1.10 per share or in the event of a redemption between January 1st and the date of payment of an annual dividend.





## Purpose and texts of the resolutions

### Release Events

Each Bondholder will be entitled to exercise its redemption right after the occurrence of any of the following events:

- non-payment of principal or interest;
- breach of other obligations under the Redeemable Bonds;
- insolvency or winding-up etc.;
- cross-acceleration;
- security enforced;
- Company shares are no longer listed on Euronext;
- a Similar Transaction (ie. an issue of securities reserved to an identified person or group of persons in consideration for cash);
- the filing by any third party with the *Autorité des Marchés Financiers* of a takeover bid (*offre publique*) for the shares of the Company;
- any Material Disagreement (as defined below);
- a Change of Influence unless (x) it has occurred with the support of the Supervisory Board and (y) the representative of the Subscriber voted for such support at the Supervisory Board; or
- if the Company would be prevented by French law from making payment to the holder of Redeemable Bonds of the full amounts then due and payable.

For purposes of the Redeemable Bonds, a Material Disagreement shall be deemed to have occurred:

- if any representative of the Subscriber is (i) removed and not replaced by another person proposed by the Subscriber or (ii) not reappointed at the end of his term;
- if (i) the Engagement Committee no longer includes a representative of the Subscriber, as member and chairperson, or if (ii) any of the governing rules or powers of the Engagement Committee is modified without the prior written approval of the representative of the Masse; or
- if the Supervisory Board formally approves a proposed action on any of the matters that fall within the scope of powers of the Engagement Committee and any representative of the Subscriber having voted against it.

### New Shares

The new shares will be fully assimilated to the existing shares and will be listed on Euronext Paris.

### Liquidation

In the event of a liquidation of the Company (*liquidation judiciaire*), the holders Redeemable Bonds will be treated *pari passu* with the shareholders of the Company.

### Masse

The holders of Redeemable Bonds will be grouped together in masse, except if there is only one holder, in which case it shall exercise all rights of the representative of the masse.

## Full text

### RESOLUTION THIRTEEN

#### Issuance of convertible bonds with suppression of preferential subscription rights of shareholders for the benefit of an identified person.

The General Meeting, after consideration of the report of the Management Board and the special report of the Auditors:

- decides to issue, at once, 116,279 bonds (the “**Convertible Bonds**”), each having a par value of € 4,300 (ie. an aggregate principal amount of € 499,999,700), each convertible into one hundred new shares of the Company (or the “**Issuer**”) (subject to the adjustments set forth below) having a par value of € 3 (individually a “**Share**” and collectively, the “**Shares**”), and subject to the condition precedent that Resolution fourteen be

adopted. The Convertible Bonds will be issued in consideration for cash, on 31 May 2005, at the latest;

- decides, in accordance with the provisions of article L.225-138 of the *Code de Commerce*, to suppress the preferential subscription rights of shareholders to the Convertible Bonds for the benefit of ColLife S.à.r.l., a Luxemburg company, headquartered at 1, rue du Saint Esprit, L-1475 Luxembourg, or any other Luxemburg Affiliate of ColLife S.à.r.l. that would be substituted to it, which will only be entitled to subscribe for the Convertible Bonds;
- authorizes the increase of capital and the issuance of new shares upon conversion of the Convertible Bonds,

ie. € 34,883,700 corresponding to the issuance of up to 11,627,900 new shares, before any adjustments for purposes of maintaining the holders' rights as set forth below;

- acknowledges that this increase of capital will not be taken into account for purposes of the caps provided for at the seventeenth and twenty-second resolutions;
- acknowledges that, as a result of the decision to issue the Convertible Bonds, the shareholders will have waived their preferential subscriptions rights with respect to the new shares to be issued upon conversion of the Convertible Bonds;
- decides that the terms and conditions (the **"Conditions"**) of the Convertible Bonds shall be as follows:

Certain defined terms for purposes of these Conditions:

**"Affiliate"** means, in respect of any Person, any other Person that directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person.

**"Business Day"** means any day on which Euronext Paris is opened for trading.

**"Change of Influence"** means any Person or group of Persons (together a **"Significant Shareholder"**) acquiring, alone or in Concert, securities giving right immediately or in the future to more than 9.9% of the voting rights of the Issuer, provided that this Significant Shareholder is not Acting in Concert with the Investor or its Affiliates.

**"Committee Representative"** means the member and chairperson of the Engagement Committee, appointed by the Supervisory Board of the Issuer upon a proposal by the Investor.

**"Concert"** means the definition of **"concert"** set forth in Article L.233-10 of the French *Code de Commerce*.

**"Act in Concert"** or **"Acting in Concert"** shall each have a correlative meaning.

**"Control"** means the definition of **"control"** set forth in Article L.233-3(l) of the French *Code de Commerce*.

**"Instruments"** means the Convertible Bonds and the Redeemable Bonds collectively.

**"Investor"** means the holder of the Instruments at the Issue Date.

**"Investor Representative"** means any member of the Supervisory Board, whose appointment was proposed by the Investor.

**"Issue Date"** means the date of issue of the Convertible Bonds.

**"Engagement Committee"** means the engagement committee (*Comité des Engagements*) of the Supervisory Board created as of the Issue Date.

**"Management Board"** means the management board (*Directoire*) of the Issuer.

**"Maturity Date"** means the fifth anniversary of the Issue Date.

**"Payment Business Day"** means a day which is a TARGET Day (as defined below) and a day (other than a Saturday or Sunday) upon which banks are generally open for business in Paris and Luxembourg; and

**"Person"** means any individual, company, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity or organization, including any government or political subdivision or any agency or instrumentality thereof.

**"Redeemable Bonds"** means the € 499,999,500 Bonds Mandatorily Redeemable into new Shares (*obligations remboursables en actions*) issued by the Issuer on the Issue Date.

**"Remaining Investment"** means, at any given time, the aggregate amount of the nominal value of (i) the Instruments that the Investor holds and (ii) the Instruments already converted or redeemed into Shares before such conversion or redemption if the Investor or any of its Affiliates still hold such Shares.

**"Similar Transaction"** means any issue by the Issuer, directly or indirectly, of bonds (excluding the issue of bonds where no corporate governance rights are granted in connection with such issue), equity or equity-linked securities reserved to an identified Person or group of Persons (excluding, for the avoidance of doubt, issues of securities reserved to employees or officers of the Issuer or its Affiliates) in consideration for cash.

**"Supervisory Board"** means the Supervisory Board (*Conseil de Surveillance*) of the Issuer.

**"Support"** shall mean the decision of the Supervisory Board (i) to appoint a new representative of the Significant Shareholder to the Supervisory Board through a cooptation or (ii) together with the Management Board to propose or recommend to the next shareholders' meeting a resolution to appoint a representative of the Significant Shareholder to the Supervisory Board.





## Purpose and texts of the resolutions

“**TARGET Day**” means a day on which payment in Euro can be made in the Trans European Automated Real Time Gross Settlement Express Transfer System.

### 1. FORM, DENOMINATION AND TITLE

Each Convertible Bond is issued and shall be held at all times in registered form (*au nominatif*). Title to the Convertible Bonds shall pass by registration in a register (the “**Register**”) which shall be kept by the Issuer or the Issuer shall procure to be kept on its behalf by Société Générale (the “**Exchange Agent**”).

The Convertible Bonds are not admitted to trading or listing on a regulated market (*marché réglementé*).

The Convertible Bonds are securities giving rights to shares (*valeurs mobilières donnant accès au capital*) governed by Articles L.228-91 *et seq.* of the *Code de Commerce*.

In these Conditions, “**Holder**” means, in relation to a Convertible Bond, the person in whose name it is registered in the Register and “**Bondholder**” shall be construed accordingly.

### 2. STATUS

The Convertible Bonds (including interest thereon) constitute direct, general, unconditional and unsecured obligations of the Issuer and shall rank at all times *pari passu* among themselves, at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer and senior to all present and future subordinated obligations of the Issuer, and *prêts participatifs* granted to, *titres participatifs* and deeply subordinated securities issued by, the Issuer.

### 3. NEGATIVE PLEDGE

So long as any of the Convertible Bonds remain outstanding, the Issuer will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) or anything analogous to the foregoing under the laws of any jurisdiction upon the whole or any part of its present or future assets or revenues for the benefit of any holders of any other bonds (*obligations*) (including bonds giving right to shares or other securities by conversion, redemption, exchange or otherwise) to secure (i) payment of any sum due in respect of any such other bonds or (ii) any payment under any guarantee of or indemnity or other like obligation relating to any such other bonds, unless the Issuer’s

obligations under the Convertible Bonds are equally and rateably secured. This undertaking is given only in relation to security granted in favour of holders of other bonds (*obligations*) (including bonds giving right to shares or other securities by conversion, redemption, exchange or otherwise) and does not affect in any way the right of the Issuer to otherwise dispose of its assets or to grant any security in respect of such assets in any other circumstances.

### 4. INTEREST

**a. Accrual of interest:** Each Convertible Bond will bear interest at a rate of 3.25% of its nominal value per annum (the “**Rate of Interest**”) from and including the Issue Date payable quarterly in arrears at the end of each three-month period from the Issue Date (each such date an “**Interest Payment Date**”), subject as provided in Condition 6 (**PAYMENTS**).

**b. Cessation of interest accrual:** Each Convertible Bond will cease to bear interest from the due date for redemption or such earlier date as the Convertible Bonds may be redeemed in cash or converted into Shares in accordance with these Conditions, in which case the interest accrued shall be paid on (i) the date on which the Convertible Bonds are redeemed in cash or (ii) the Conversion Date.

**c. Interest amounts:** The amount of interest payable on each Interest Payment Date shall be € 34.5196 in respect of each Convertible Bond. If interest is required to be paid in respect of a Convertible Bond on any other date falling before the Maturity, it shall be calculated by applying the Rate of Interest to the principal amount of such Convertible Bond, multiplying the product by the number of days elapsed since the preceding Interest Payment Date (or, as the case may be, the Issue Date) and a 365-day year (or a 366-day year in the case of a leap year) and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

**d. Interest on late payment or issue and/or transfer:** If the Issuer fails to pay any amount payable by it on its due date or, in the case of conversion of the Convertible Bonds, fails to issue and/or transfer the Shares in accordance with these Conditions, interest shall continue to accrue to the fullest extent permitted by law on (i) the overdue amount in case of failure to pay any amount or (ii) the nominal amount of the Convertible Bonds in case of failure to issue and/or transfer the Shares, up to the date of actual payment or transfer, as the case may be, (both before and after judgment)

at a rate which is 2 % higher than the Rate of Interest. Any interest accruing under this Condition 4(d) (**Interest on late payment or issue and/or transfer**) shall be immediately payable on demand.

Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount only if, within the meaning of Article 1154 of the *Code Civil*, such interest is due for a period of at least one year, but will remain immediately due and payable.

## 5. REDEMPTION OF THE CONVERTIBLE BONDS

### a. Redemption of the Convertible Bonds at maturity:

Unless previously redeemed or converted, each Convertible Bond will be redeemed in cash at its principal amount on the Maturity Date, subject as provided in Condition 6 (PAYMENTS).

### b. Early redemption in cash at the option of the Bondholders:

Each Bondholder may, at its option, request that the Issuer redeems in cash part or all of its Convertible Bonds on the third anniversary of the Issue Date (the “**Early Redemption Date**”), at their nominal value plus any accrued but unpaid interest as at the Early Redemption Date. Any such request shall be made with a 3 (three) month prior written notice to the Issuer (which notice will be irrevocable unless the Bondholder and the Issuer agree otherwise). Once such request has been made, the Bondholder will no longer be entitled to exercise the Conversion Right in respect of the Convertible Bonds for which it has requested redemption.

## 6. PAYMENTS

**a. Principal and interest:** Payments of principal and interest on the Convertible Bonds shall be made by transfer to a Euro account of a bank in the Euro-zone designated by the Bondholder (whose name appears in the Register as at 10:00 am Paris time on the third day before the due date for such payment).

**b. Payments on Business Days:** If the due date for payment of any amount in respect of any Convertible Bond is not a Payment Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

## 7. EVENTS OF DEFAULT

The representative of the Masse (as defined in Condition 12 (REPRESENTATION OF BONDHOLDERS)) may, at its discretion, require that all the Convertible Bonds be immediately due and payable at par together with accrued interest, if any of the following events occurs (each an “**Event of Default**”):

**a. Non-payment:** the Issuer fails to pay any amount payable in respect of the Convertible Bonds within 2 Business Days of the due date for payment thereof;

**b. Breach of other obligations:** the Issuer fails to perform or observe any of Condition 2 (STATUS), Condition 3 (NEGATIVE PLEDGE) or Condition 9 (CONVERSION OF CONVERTIBLE BONDS INTO SHARES) or any of its other obligations in respect of the Convertible Bonds and the Issuer fails to remedy such default within 15 days of its occurrence;

**c. Insolvency or winding up, etc.:** the Issuer proposes a general moratorium in relation to its debt, applies for the appointment of a conciliator or receiver (*conciliateur* or *mandataire ad hoc*) or enters into an amicable settlement (accord amiable) with its main creditors pursuant to Articles L.611-3 to L.611-6 and following of the *Code de Commerce* (as amended as the case may be), is subject to liquidation proceedings (*liquidation judiciaire*) or the transfer of its entire business (*cession totale de son entreprise*) or any other equivalent measure or procedure, concludes any agreement or other arrangement in favour of its creditors or its main creditors in view of the re-organization or rescheduling of its Indebtedness, or the appointment of any receiver, trustee or judicial custodian (*administrateur judiciaire*, *administrateur provisoire* or *mandataire ad hoc*), or is liquidated or dissolved, with the exception of a liquidation or dissolution previously authorised by the Masse and resulting from its restructuring, reorganization, absorption or merger;

**d. Cross Acceleration of Issuer:** (i) the Issuer is in default (however such default is described) in the due performance or observance of any obligation in respect of any Indebtedness representing € 100,000,000 or more (other than the Convertible Bonds or the Redeemable Bonds) and the maturity of such Indebtedness is accelerated (however such acceleration occurs); or (ii) the Issuer is in default (however such default is described) in respect of any amount which it has not paid or repaid on its due date (or within any applicable grace period) in its capacity as a guarantor, or indemnitor, or surety (*caution*) in relation to any Indebtedness representing



## Purpose and texts of the resolutions

€ 100,000,000 or more, unless the Issuer disputes in good faith in court proceedings or by any other procedure that the amount in default is due and that the claim invoking the existence of such failure of the Issuer with respect to the amount in default is withdrawn, dismissed or suspended within 90 calendar days from the due date invoked; or (iii) the Issuer is in default (however this default is described) under the Redeemable Bonds.

**e. Security Enforced:** in the event that part of the Issuer's assets and/or income representing, in the aggregate, € 75,000,000 or more were to be the subject, at any moment, of an attachment, judicial measure or a procedure to enforce a security on any asset or income, and in the event that such attachment, judicial measure or enforcement procedure remains in force or if the measures implemented to enforce such security on any such asset or income are not refused or suspended within a period of 30 days; or

**f. Shares no longer listed:** if the Shares are no longer admitted to listing and trading on the Euronext Market of Euronext Paris.

### 8. MATERIAL DISAGREEMENTS

The events set forth below shall constitute material disagreements for purposes of these Conditions (each a "Material Disagreement"):

**a. Change of Influence:** if a Change of Influence has occurred (i)(x) with the Support of the Supervisory Board and (y) the Investor Representative(s) has voted against such Support at the relevant Supervisory Board meeting or (ii) with the Significant Shareholder being granted by the Issuer any specific right not afforded by law, unless made with the prior written consent of the Investor.

**b. Removal of Supervisory Board Member:** if any Investor Representative is (i) removed and not replaced within 45 days of his removal by another person proposed by the Investor or (ii) not reappointed at the end of his term or replaced by another person proposed by the Investor;

**c. Engagement Committee:** if (i) the Engagement Committee no longer includes a Committee Representative, as member and chairperson, or if (ii) any of the governing rules or powers of the Engagement Committee on the Issue Date is modified without the prior written approval of the representative of the Masse;

**d. Decision of Supervisory Board against vote of Investor Representative(s):** if on any of the matters

that fall within the scope of powers of the Engagement Committee (i) (x) the Engagement Committee is not consulted by the Supervisory Board on a proposed action or (y) the Committee Representative votes against a proposed action at an Engagement Committee meeting and (ii) the Supervisory Board formally approves such proposed action, any Investor Representative having voted against it at the relevant Supervisory Board meeting;

If any Material Disagreement occurs, following a notice from the representative of the Masse, which may be made within 45 days from the knowledge of the representative of the Masse of the occurrence of such Material Disagreement, the Issuer shall, unless the relevant Material Disagreement is remedied within 45 days of the receipt of the representative of the Masse's notice, use its best efforts to redeem the Convertible Bonds within 6 months from the occurrence of the Material Disagreement, in cash, at their nominal value plus any accrued but unpaid interest at the date of redemption. If the Convertible Bonds have not been redeemed at the end of the 6 month period referred to in the previous sentence, the Convertible Bonds will be redeemable (i) on their Maturity Date in accordance with Condition 5(a) (**Redemption of the Convertible Bonds at Maturity**) or (ii) upon an early redemption in cash at the option of the Bondholders in accordance with Condition 5(b) (**Early Redemption in Cash at the Option of the Bondholders**), at an amount equal to 102% of its nominal value.

It is expressly provided that this Condition 8 shall terminate (*caducité*), and the Bondholders, the Investor and their Affiliates shall have no right in respect thereof, to the extent (i) the Remaining Investment is less than € 400,000,000 or (ii) that all the Bondholders have waived the benefit of these provisions on or prior to the Issue Date.

### 9. CONVERSION OF CONVERTIBLE BONDS INTO SHARES

#### a. Conversion Period and Conversion Ratio:

(i) Each Convertible Bond will be convertible into newly issued and fully paid Shares at any time, starting on 1 January 2007 until the Maturity Date (the "**Conversion Period**"), in whole or in part at the option of the Bondholders (the "**Conversion Right**") provided however that each Bondholder shall be entitled to exercise its Conversion Rights prior to 1 January 2007 upon the occurrence of a Release Event as set out in Condition 9(d) (**Release Event**), and provided further that each Bondholder shall be entitled to exercise

its Conversion Rights prior to 1 January 2007 on a number of Convertible Bonds representing 10% of the Convertible Bonds that it holds at the Issue Date.

(ii) Each Bondholder shall be entitled to exercise its Conversion Right on any Business Day (an **“Exercise Date”**) during the Conversion Period until the fifth Business Day preceding the Maturity Date or until the fifth Business Day preceding the date set for redemption, at a conversion ratio of 100 Shares per Convertible Bond (the **“Conversion Ratio”**), subject to adjustments set out in Condition 10(b)(ii) ([Adjustments to the Conversion Ratio in the event of certain transactions](#)).

(iii) If a Bondholder has not exercised its Conversion Right prior to the fifth Business Day prior to the Maturity Date or the date set for redemption, it will receive the redemption price in cash in accordance with Condition 5(a) (**Redemption of the Convertible Bonds at maturity**).

#### **b. Exercise of the Conversion Right:**

(i) To exercise their Conversion Rights, the Bondholders must make their request to the Issuer and/or the Exchange Agent.

(ii) The Bondholders will be delivered their Shares on the fifth Business Day following the date of their request (the **“Conversion Date”**).

#### **c. Suspension of the Conversion Right:**

(i) In the event of an increase in share capital, an issue of securities conferring rights to receive Shares, a merger (*fusion*) or de-merger (*scission*) or any other transactions conferring preferential subscription rights or having a priority subscription period for the benefit of existing shareholders of the Issuer, the Issuer shall be entitled to suspend the Conversion Right for a period not exceeding three months. This right does not prejudice the Conversion Rights of the Bondholders or the Conversion Period set out in Condition 9(a)(i) ([Conversion Period and Conversion Ratio](#)).

(ii) The Issuer's decision to suspend the exercise of any Conversion Right will be notified to the Bondholders in accordance with Condition 13 ([NOTICES](#)) not less than 7 days before the date on which such suspension comes into force and will state both the date on which the suspension comes into force and the date the suspension will end.

#### **d. Release Event:**

In accordance with Condition 9(a)(i), each Bondholder will be entitled, at its sole discretion, to exercise its

Conversion Right upon and after the occurrence of any of the following events (a **“Release Event”**):

(i) any [Event of Default](#);

(ii) the public announcement by the Issuer or the consummation of a [Similar Transaction](#);

(iii) [Takeover Bid](#): the filing by any third party with the *Autorité des Marchés Financiers* of a takeover bid (*offre publique*) for the Shares;

(iv) any [Material Disagreement](#);

(v) if a Change of Influence has occurred unless (x) with the Support of the Supervisory Board and (y) the Investor Representative(s) voted for such Support at the relevant Supervisory Board meeting; or

(vi) if the Issuer would on the next payment of principal or interest in respect of the Convertible Bonds be [prevented by French law](#) from making payment to the Bondholders of the full amounts then due and payable.

## 10. MAINTENANCE OF BONDHOLDERS' RIGHTS

### **a. Adjustment of the Conversion Ratio:**

#### (i) [Issuer's obligations](#)

In accordance with French law, the Issuer undertakes, for as long as any Convertible Bond is outstanding, not to redeem its share capital, or to alter the way it allocates its profits, without having taken all necessary measures in order to preserve the rights of the Bondholders which would exercise their Conversion Right.

#### (ii) [Adjustments to the Conversion Ratio in the event of certain transactions](#)

If any of the following events occurs at any time after the Issue Date:

1) issue of securities carrying listed preferential subscription rights;

2) capitalisation of reserves, profits or share premiums effected by increasing the nominal value of Shares;

3) distribution of stock dividends or other non-cash dividends on its Shares;

4) subdivision or combination of outstanding Shares into a smaller number of Shares;

5) occurrence of certain reorganisation events (e.g., merger, de-merger, spin-off);

6) repurchase of its own Shares at a price higher than the market price;





## Purpose and texts of the resolutions

- 7) a change in the Issuer's allocation of profits;
- 8) depreciation (*amortissement*) of capital;
- 9) payment of Exceptional Dividends (as defined below);
- 10) distribution of dividend for 2004;
- 11) conversion between 1 January and the date of payment of the annual dividend; and

12) in the event of a modification of Articles L.228-98 and L.228-99 of the *Code de Commerce*, other occurrences that would give rise to required anti-dilution protection to holders of convertible bonds (*obligations convertibles en actions*) under such provisions; the Conversion Ratio will be adjusted in accordance with the provisions set out below. For the avoidance of doubt, it is expressly provided that a single event may not give rise to more than one adjustment of the Conversion Ratio.

In the event of adjustments carried out in accordance with this Condition 10(a)(ii) ([Adjustments to the Conversion Ratio in the event of certain transactions](#)), the new Conversion Ratio will be calculated to two decimal places by rounding to the nearest hundredth (with 0.005 being rounded upwards). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Conversion Ratio.

The conversion of Convertible Bonds into shares may only result in the delivery of a whole number of Shares, the treatment of fractions being dealt with in accordance with Condition 10(c) (**Treatment of fractions**).

a) In the event of a transaction conferring listed preferential subscription rights, the new Conversion Ratio of Shares will be determined by multiplying the ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Share price ex-subscription right} + \text{the price of the subscription right}}{\text{Share price ex-subscription right}}$$

For the purposes of calculating this formula, the prices of the share ex-subscription right and of the subscription right will be determined on the basis of the average of the opening prices quoted on Euronext Paris (or, in the absence of listing by Euronext Paris, on any other regulated or similar market on which the Shares and subscription rights are both listed) on each Business Day falling in the subscription period during which the Shares ex-subscription right and the subscription right are simultaneously quoted.

b) In the event of an increase in share capital by capitalisation of reserves, profits or share premium

or distribution of bonus Shares, or by the subdivision or consolidation of Shares, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Number of Shares existing after transaction}}{\text{Number of Shares existing before transaction}}$$

c) In the event of an increase in the Issuer's share capital by means of a capitalisation of reserves, profits or share premium effected by increasing the nominal value of the Shares, the Conversion Ratio will not be adjusted but the nominal value of the Shares which may be delivered to Bondholders exercising their Conversion Rights in the Issuer Shares will be increased to the same extent.

d) In the event of a distribution of reserves or share premium in the form of cash or securities, the new Conversion Ratio of Shares will be determined by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Share price before distribution} + \text{the amount distributed or the value of the securities distributed in relation to each share}}{\text{Share price before distribution}}$$

For the purposes of calculating this formula:

- the share price before the distribution will be calculated on the basis of the weighted average of the prices quoted on Euronext Paris on the 3 consecutive Business Days preceding the date of distribution;

- the value of securities distributed will be calculated as described in (i) above if the securities are listed. If the securities are not listed before the date of distribution, such value will be determined on the basis of (i) the average of the prices quoted during the three consecutive Business Days following the date of distribution if the securities are quoted during the twenty Business Days following the date of distribution of the securities, and (ii) in any other case, as determined by an independent expert of international reputation chosen by the Issuer.

e) In the event that the Issuer is taken over (*absorption*) by another company or is merged (*fusion*) with one or more companies forming a new company or is demerged (*scission*), the Convertible Bonds will be convertible into the Shares of the acquiring or new company or beneficiary companies of a demerger.

The new Conversion Ratio of Shares will be determined by multiplying the Conversion Ratio in effect prior to the

relevant transaction by the ratio of exchange of Shares of the Issuer against the Shares in the acquiring or new company or beneficiary companies of a demerger.

These companies will be substituted for the Issuer for the purpose of the above provisions, in order to, as is necessary, preserve the rights of Bondholders in the case of financial transactions or transactions on securities, and, in general, to ensure that the legal, regulatory and contractual rights of Bondholders are respected.

f) In the event of a buy-back by the Issuer of its own Shares at a price higher than the market price, the new Conversion Ratio of Shares shall be equal to the product of the Conversion Ratio in effect before the buy-back and the following ratio:

$$\frac{\text{Share value} + \text{Pc}\% \times (\text{Buy-back price} - \text{Share value})}{\text{Share value}}$$

Where:

**“Share value”** means the average weighted value over 3 consecutive Business Days immediately preceding the buy-back (or the option to buy-back);

**“Pc%”** means the percentage of capital bought back;

**“Buy-back price”** means the actual price at which the Shares are bought back (by definition, this will be higher than the market price).

g) In the event of a change in the Issuer’s allocation of profits, the new Conversion Ratio shall be equal to the product of the Conversion Ratio in force before the start of the relevant transaction and the following ratio:

$$\frac{\text{Share value before the change} + \text{Reduction per Share in the right to profits}}{\text{Share value before the change}}$$

To calculate this ratio, the Share value before the change in the Issuer’s allocation of profits will be determined using the weighted average of prices quoted on Euronext Paris during the three Business Days preceding the day of the occurrence of such change.

h) In the event of a depreciation (*amortissement*) of capital, the new Conversion Ratio shall be equal to the product of the Conversion Ratio in force before the start of the relevant transaction and the following ratio:

$$\frac{\text{Share value before the depreciation} + \text{Amount of the depreciation per Share}}{\text{Share value before the depreciation}}$$

To calculate this ratio, the Share value before the depreciation will be determined using the weighted average of prices quoted on Euronext Paris during the three Business Days preceding the day of the occurrence of such depreciation.

i) If the Issuer pays out an Exceptional Dividend (as defined below), the new Conversion Ratio will be adjusted as explained below.

For the purposes of this clause (i), the term **“Exceptional Dividend”** means any dividend paid in cash or in kind to shareholders, insofar as this dividend (without including the dividend tax credit) (the **“Reference Dividend”**) and all other dividends in cash or in kind paid to shareholders during a single financial year of the Issuer (without including the dividend tax credits, if any, related to such dividends) (the **“Prior Dividends”**), show a **“Ratio of Dividends Distributed”** (as defined below) greater than 3.5%.

As used in the previous sentence, the term **“Ratio of Dividends Distributed”** means the sum of the ratios obtained by dividing the Reference Dividend and each of the Prior Dividends by the market capitalisation of the Issuer on the day before the corresponding distribution date; the market capitalisation used to calculate each of these ratios is equal to the product (x) of the weighted average of the closing prices of the Issuer’s share quoted on Euronext Paris on twenty consecutive Business Days before the distribution date of the Reference Dividend or of each of the Prior Dividends multiplied by (y) the respective number of shares of the Issuer existing on each of those dates. Any dividend or any fractional dividend resulting in an adjustment of the Conversion Ratio pursuant to any other clause of this Condition 10(a)(ii) ([Adjustments to the Conversion Ratio in the event of certain transactions](#)) will not be taken into account for the application of this clause (i). The formula used to calculate the new share Conversion Ratio in the case of payment of an Exceptional Dividend is as follows:

$$\text{NCR} = \text{CR} \times (1 + \text{RDD} - 3.5\%)$$

in which:

- NCR means the new Conversion Ratio;
- CR means the last share Conversion Ratio in effect before the distribution of the Reference Dividend;
- RDD means the Ratio of Dividends Distributed as defined above;

it is specified that any dividend (reduced, as applicable, by any fractional dividend resulting in the calculation of a new Conversion Ratio pursuant to any other clause of





## Purpose and texts of the resolutions

this Condition 10(a)(ii) ([Adjustments to the Conversion Ratio in the event of certain transactions](#)) paid out between the payment date of a Reference Dividend and the end of the same financial year of the Company will result in an adjustment using the following formula:

$$\text{NCR} = \text{CR} \times (1 + \text{RDD})$$

in which:

- NCR means the new Conversion Ratio;
- CR means the last share Conversion Ratio in effect before the distribution of the Reference Dividend;
- RDD means the ratio obtained by dividing (i) the amount of the additional dividend (net of any fraction of a dividend resulting in adjustment of the Conversion Ratio pursuant to any other clause of this Condition 10(a)(ii) ([Adjustments to the Conversion Ratio in the event of certain transactions](#))) without taking into account the related dividend tax credits, if any, by (ii) the market capitalisation of the Issuer, which is equal to the product (x) of the weighted average of the closing prices of the Issuer's share quoted on Euronext Paris on twenty consecutive Business Days before the distribution date of the additional dividend, multiplied by (y) the number of Shares of the Issuer outstanding on that date.

j) In the event that the dividend with respect to the financial year 2004 is in excess of € 1.10, the new Conversion Ratio will be determined by multiplying the Conversion Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{43}{43 - (\text{ED}2004 - 1.10)}$$

Where:

“ED2004” means any dividend paid in cash or in kind to shareholders with respect to the 2004 financial year.

The payment by the Issuer of a dividend of up to € 1.10 per Share with respect to the 2004 financial year shall not give rise to any adjustment of the Conversion Ratio.

k) If the Conversion Date occurs between January 1st and the date of payment of the annual dividend by the Issuer, the new Conversion Ratio applicable to the Convertible Bonds being converted will be determined by multiplying the prevailing Conversion Ratio by the following formula (but only to the extent this formula results in a number lower than one):

$$\frac{\text{SP} + (\text{C}-\text{D})}{\text{SP}}$$

Where:

“SP” means the weighted average of the closing prices of the Issuer's share quoted on Euronext Paris on twenty consecutive Business Days before the Conversion Date.

“C” means the net present value (calculated based on a discount rate equal to the Rate of Interest) of an amount of Interest per Convertible Bond converted thereby calculated between the Conversion Date and the date of payment of the next annual dividend as published by the Issuer, failing which, June 1<sup>st</sup> of the current financial year.

“D” means the net present value (calculated based on a discount rate equal to the Rate of Interest between the Conversion Date and the date of payment of the next annual dividend as published by the Issuer, failing which, June 1<sup>st</sup> of the current financial year) of an amount of dividend per share paid by the Issuer during the financial year ended prior to Conversion Date multiplied by the Conversion Ratio prevailing immediately prior to this adjustment.

### b. Information relating to adjustments:

In the event of an adjustment, the new Conversion Ratio will be notified to the Bondholders by written notice in accordance with article 242-13 of Decree no. 67-236 dated 23 March 1967 and Condition 13 ([NOTICES](#)).

### c. Treatment of fractions:

Each Bondholder exercising its Conversion Right under the Convertible Bonds may receive a number of Shares calculated by multiplying the number of Convertible Bonds, having the same Exercise Date, by the relevant Conversion Ratio in effect at such time.

If the number of Shares so calculated is not a whole number, the Bondholders may request the delivery of:

- either the nearest whole number of Shares immediately less than its entitlement; in which case the Bondholders will receive a cash payment equal to the value of such fraction of a share, calculated on the basis of the share price on Euronext Paris on the Business Day preceding the Exercise Date;
- or the nearest whole number of Shares immediately greater than such entitlement, provided that in such case such Bondholders pays to the Issuer an amount equal to the value of the additional fraction of a share requested, calculated on the basis set out in the preceding paragraph.

#### **d. Notice to Bondholders of Preferential Subscription Rights:**

In the event that the Issuer intends to carry out a transaction carrying preferential subscription rights for its existing shareholders, the Bondholders will be notified by the Issuer prior to the commencement of such transaction by a written notice given to the Bondholders in accordance with article 242-13 of Decree no. 67-236 dated 23 March 1967 and Condition 13 (NOTICES).

### 11. SHARES ISSUED UPON CONVERSION OF THE CONVERTIBLE BONDS

#### **a. Rights attaching to the Shares to be issued:**

##### (i) New Shares to be issued on conversion

New Shares issued upon conversion of the Convertible Bonds shall be subject to all provisions of the Issuer's by-laws (*statuts*) and will be fully assimilated to the existing Shares.

##### (ii) General provisions

Each new or existing Share gives the right to an interest in the net assets, profits and liquidation surplus of the relevant company in proportion to that part of the share capital represented by it, taking account of whether any share capital has been redeemed or not, whether the Shares have been fully paid up or not, the nominal value of Shares and the rights of different classes of Shares.

Each Share gives the right to one vote in general meetings of the Issuer subject to the by-laws of the Issuer.

#### **b. Listing of New Shares**

The Issuer will cause the Shares to be issued upon conversion of the Convertible Bonds to be listed on Euronext Paris. The listing of the New Shares have been the subject of a *Note d'Opération* registered with the *Autorités des Marchés Financiers*.

### 12. REPRESENTATION OF BONDHOLDERS

In accordance with article L.228-103 of the *Code de Commerce*, the Bondholders will be grouped together in a collective group (the "*Masse*"), which shall have legal personality.

**a. Acting representative of the Masse:** If the Convertible Bonds are held by more than one Bondholder, the acting representative of the *Masse* will be appointed by a general meeting of the Bondholders, pursuant

to article L.228-47 of the *Code de Commerce*. The acting representative will have the power, without restriction or reservation, to take, together or separately, on behalf of the *Masse*, all actions of an administrative nature necessary to protect the interests of the Bondholders. The representative will exercise its duties until its death, resignation or termination of its duties by a general meeting of the Bondholders or until it becomes incapable of acting or unable to act. Its appointment shall automatically cease on the date of final or total redemption or conversion, prior to maturity or otherwise, of the Convertible Bonds. This appointment will be automatically extended until the final resolution of any proceedings in which the representative is involved and the enforcement of any judgements rendered or settlements made. The acting representative of the *Masse* shall be entitled to a remuneration of € 300 per year, payable by the Issuer on each anniversary of the Issue Date so long as any Convertible Bond remains outstanding.

**b. Substitute representative of the Masse:** If the Convertible Bonds are held by more than one Bondholder, a substitute representative of the *Masse* will be appointed by a general meeting of the Bondholders. The substitute representative will, if necessary, replace the acting representative if it is unable to act. The date on which the appointment of the substitute representative takes effect shall be the date of receipt of the registered letter by which the Issuer or Bondholder, shall have notified such substitute representative of the acting representative's inability to act, whether temporarily or permanently. Where applicable, the same notification will also be given to the Issuer in the same way. In the event of temporary or permanent replacement, the substitute representative shall have the same powers as the acting representative. It will only become entitled to the annual remuneration of € 300 if it exercises the duties of an acting representative on a permanent basis. Such remuneration will accrue from the day on which it assumes such duties.

**c. Remuneration and costs:** the Issuer will bear the remuneration of the representative of the *Masse* and the costs of calling general meetings of the Bondholders, publishing their decisions and fees linked to the possible designation of the representative of the *Masse* according to article L.228-50 of the *Code de Commerce* and, all the costs of administration and of management of the *Masse* of Bondholders.

**d. General:** meetings of the Bondholders shall be held at the registered office of the Issuer or such other place as is specified in the notice of the meeting. Each Bondholder shall have the right, during the period of 15 days prior to



## Purpose and texts of the resolutions

any meeting of the *Masse*, to examine and take copies of or to cause an agent to do so on its behalf, at the registered office or administrative headquarters of the company or at such other place as is specified in the notice for such meeting, the text of the resolutions to be proposed and any reports to be presented to such general meeting. In the event of the consolidation of the Convertible Bonds with further issues of bonds giving identical rights to Bondholders and if the terms and conditions of such bonds so permit, the Bondholders of all such issues shall be grouped together in a single *Masse*.

**e. Sole Bondholder:** if there is only one Bondholder, there will be no *Masse* and no representative of the *Masse* shall be appointed. The sole Bondholder shall have all the powers of the representative of the *Masse* set forth in these Conditions.

### 13. NOTICES

Notices to the Bondholders shall be valid if addressed in writing by registered mail to their respective addresses set out in the Register.

### 14. GOVERNING LAW AND JURISDICTION

**a. Governing law:** The Convertible Bonds and all matters arising from or connected with the Convertible Bonds are governed by, and shall be construed in accordance with French law.

**b. Jurisdiction:** The Issuer hereby irrevocably and unconditionally submits to the *Tribunal de Commerce de Paris* for all matters in relation with the Convertible Bonds and waives any objection to proceedings in such tribunal whether on the grounds that the proceedings have been brought in an inconvenient forum or otherwise.

## Full text

### RESOLUTION FOURTEEN

#### Issuance of redeemable bonds with suppression of preferential subscription rights of shareholders for the benefit of an identified person

Subject to the Resolution thirteen being adopted, the General Meeting, after consideration of the report of the Management Board and the special report of the Auditors:

- decides to issue, at once, 128,205 bonds (the “**Redeemable Bonds**”), each having a par value of € 3,900 (ie. an aggregate principal amount of € 499,999,500 ), each redeemable into one hundred new shares of the Company (or the “**Issuer**”) (subject to the adjustments set forth below) having a par value of € 3 (individually a “**Share**” and collectively, the “**Shares**”). The Redeemable Bonds will be issued in consideration for cash, on 31 May 2005, at the latest;
- decides, in accordance with the provisions of article L. 225-138 of the *Code de Commerce*, to suppress the preferential subscription rights of shareholders to the Redeemable Bonds for the benefit of CollLife S.à.r.l., a Luxemburg company, headquartered at 1, rue du Saint Esprit, L-1475 Luxembourg, or any other Luxemburg Affiliate of CollLife S.à.r.l. that would be substituted to it, which will only be entitled to subscribe for the Redeemable Bonds;
- authorizes the increase of capital and the issuance of new shares upon redemption of the Redeemable Bonds,

ie. € 38,461,500 corresponding to the issuance of up to 12,820,500 new shares, before any adjustments for purposes of maintaining the holders’ rights as set forth below;

- acknowledges that this increase of capital will not be taken into account for purposes of the caps provided for at the seventeenth and twenty-second resolutions;
- acknowledges that, as a result of the decision to issue the Redeemable Bonds, the shareholders will have waived their preferential subscriptions rights with respect to the New Shares to be issued upon redemption of the Redeemable Bonds;
- decides that the terms and conditions (the “**Conditions**”) of the Redeemable Bonds shall be as follows:

“**Affiliate**” means, in respect of any Person, any other Person that directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person.

“**Business Day**” means any day on which Euronext Paris is opened for trading.

“**Change of Influence**” means any Person or group of Persons (together a “**Significant Shareholder**”) acquiring, alone or in Concert, securities giving right

immediately or in the future to more than 9.9% of the voting rights of the Issuer, provided that this Significant Shareholder is not Acting in Concert with the Investor or its Affiliates.

**“Committee Representative”** means the member and chairperson of the Engagement Committee appointed by the Supervisory Board of the Issuer upon a proposal by the Investor.

**“Concert”** means the definition of “concert” set forth in Article L.233-10 of the French *Code de Commerce*. **“Act in Concert”** or **“Acting in Concert”** shall each have a correlative meaning.

**“Control”** means the definition of “control” set forth in Article L.233-3(l) of the French *Code de Commerce*.

**“Convertible Bonds”** means the € 499,999,700 Convertible Bonds (*obligations convertibles en actions*) issued by the Issuer on the Issue Date.

**“Instruments”** means the Redeemable Bonds and the Convertible Bonds collectively.

**“Investor”** means the holder of the Instruments at the Issue Date.

**“Investor Representative”** means any member of the Supervisory Board, whose appointment was proposed by the Investor.

**“Issue Date”** means the date of issue of the Redeemable Bonds.

**“Engagement Committee”** means the engagement committee (*Comité des Engagements*) of the Supervisory Board created as of the Issue Date.

**“Management Board”** means the Management Board (*Directoire*) of the Issuer.

**“Maturity Date”** means the third anniversary of the Issue Date.

**“Payment Business Day”** means a day which is a TARGET Day (as defined below) and a day (other than a Saturday or Sunday) upon which banks are generally open for business in Paris and Luxembourg; and

**“Person”** means any individual, company, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or other entity or organization, including any government or political subdivision or any agency or instrumentality thereof.

**“Similar Transaction”** means any issue by the Issuer, directly or indirectly, of bonds (excluding the issue of

bonds where no corporate governance rights are granted in connection with such issue), equity or equity-linked securities reserved to an identified Person or group of Persons (excluding, for the avoidance of doubt, issues of securities reserved to employees or officers of the Issuer or its Affiliates) in consideration for cash.

**“Supervisory Board”** means the Supervisory Board (*Conseil de Surveillance*) of the Issuer.

**“Support”** shall mean the decision of the Supervisory Board (i) to appoint a new representative of the Significant Shareholder to the Supervisory Board through a cooptation or (ii) together with the Management Board to propose or recommend to the next shareholders’ meeting a resolution to appoint a representative of the Significant Shareholder to the Supervisory Board.

**“TARGET Day”** means a day on which payment in Euro can be made in the Trans European Automated Real Time Gross Settlement Express Transfer System.

## 1. FORM, DENOMINATION AND TITLE

Each Redeemable Bond is issued and shall be held at all times in registered form (*au nominatif*). Title to the Redeemable Bonds shall pass by registration in a register (the **“Register”**) which shall be kept by the Issuer or the Issuer shall procure to be kept on its behalf by Société Générale (the **“Exchange Agent”**).

The Redeemable Bonds are not admitted to trading or listing on a regulated market (*marché réglementé*).

The Redeemable Bonds are securities giving rights to shares (*valeurs mobilières donnant accès au capital*) governed by Articles L.228-91 *et seq.* of the *Code de Commerce*.

In these Conditions, **“Holder”** means, in relation to a Redeemable Bond, the person in whose name it is registered in the Register and **“Bondholder”** shall be construed accordingly.

## 2. STATUS

The Redeemable Bonds (including interest thereon) constitute direct, general, unconditional and unsecured obligations of the Issuer and shall rank at all times *pari passu* among themselves, at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer and senior to all present and future subordinated obligations of the Issuer, and *prêts participatifs* granted to, *titres participatifs* and deeply subordinated securities issued by, the Issuer.





## Purpose and texts of the resolutions

### 3. NEGATIVE PLEDGE

So long as any of the Redeemable Bonds remain outstanding, the Issuer will not create or permit to subsist any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) or anything analogous to the foregoing under the laws of any jurisdiction upon the whole or any part of its present or future assets or revenues for the benefit of any holders of any other bonds (*obligations*) (including bonds giving right to shares or other securities by conversion, redemption, exchange or otherwise) to secure (i) payment of any sum due in respect of any such other bonds or (ii) any payment under any guarantee or indemnity or other like obligation relating to any such other bonds, unless the Issuer's obligations under the Redeemable Bonds are equally and rateably secured. This undertaking is given only in relation to security granted in favour of holders of other bonds (*obligations*) (including bonds giving right to shares or other securities by conversion, redemption, exchange or otherwise) and does not affect in any way the right of the Issuer to otherwise dispose of its assets or to grant any security in respect of such assets in any other circumstances.

### 4. INTEREST

**a. Accrual of interest:** Each Redeemable Bond will bear interest at a rate of 4.5% of its nominal value per annum (the “**Rate of Interest**”) from and including the Issue Date payable quarterly in arrears at the end of each three-month period from the Issue Date (each such date an “**Interest Payment Date**”), subject as provided in Condition 5 (**PAYMENTS**).

**b. Cessation of interest accrual:** Each Redeemable Bond will cease to bear interest from the due date for redemption or such earlier date as the Redeemable Bonds may be redeemed for Shares in accordance with these Conditions, in which case the interest accrued shall be paid on the Redemption Date.

**c. Interest amounts:** The amount of interest payable on each Interest Payment Date shall be € 43.1535 in respect of each Redeemable Bond. If interest is required to be paid in respect of a Redeemable Bond on any other date falling before the Maturity Date, it shall be calculated by applying the Rate of Interest to the principal amount of such Redeemable Bond, multiplying the product by the number of days elapsed since the preceding Interest Payment Date (or, as the case may be, the Issue Date) and a 365-day year (or a 366-day year in the case of a leap year) and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

### **d. Interest on late payment or issue and/or transfer:**

If the Issuer fails to pay any amount payable by it on its due date or, in the case of redemption of the Redeemable Bonds, fails to issue and/or transfer the Shares in accordance with these Conditions, interest shall continue to accrue to the fullest extent permitted by law on (i) the overdue amount in case of failure to pay any amount or (ii) the nominal amount of the Redeemable Bonds in case of failure to issue and/or transfer the Shares, up to the date of actual payment or transfer, as the case may be, (both before and after judgment) at a rate which is 2 per cent higher than the Rate of Interest. Any interest accruing under this Condition 4(d) (**Interest on late payment or issue and/or transfer**) shall be immediately payable on demand.

Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount only if, within the meaning of Article 1154 of the *Code Civil*, such interest is due for a period of at least one year, but will remain immediately due and payable.

### 5. PAYMENTS

**a. Principal and interest:** Payments of principal and interest on the Redeemable Bonds shall be made by transfer to a Euro account of a bank in the Euro-zone designated by the Bondholder (whose name appears in the Register as at 10:00 am Paris time on the third day before the due date for such payment).

**b. Payments on Business Days:** If the due date for payment of any amount in respect of any Redeemable Bond is not a Payment Business Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

### 6. MATERIAL DISAGREEMENTS

The events set forth below shall constitute material disagreements for purposes of these Conditions (each a “**Material Disagreement**”):

**a. Removal of Supervisory Board Member:** if any Investor Representative is (i) removed and not replaced within 45 days of his removal by another person proposed by the Investor or (ii) not reappointed at the end of his term or replaced by another person proposed by the Investor;

**b. Engagement Committee:** if (i) the Engagement Committee no longer includes a Committee Representative,

as member and chairperson, or if (ii) any of the governing rules or powers of the Engagement Committee on the Issue Date is modified without the prior written approval of the representative of the *Masse*;

**c. Decision of Supervisory Board against vote of Investor Representative(s):** if on any of the matters that fall within the scope of powers of the Engagement Committee (i) (x) the Engagement Committee is not consulted by the Supervisory Board on a proposed action or (y) the Committee Representative votes against a proposed action at an Engagement Committee meeting and (ii) the Supervisory Board formally approves such proposed action, any Investor Representative having voted against it at the relevant Supervisory Board meeting;

It is expressly provided that this Condition 6 shall terminate (*caducité*), and the Bondholders, the Investor and their Affiliates shall have no right in respect thereof to the extent that all the Bondholders have waived the benefit of these provisions on or prior to the Issue Date.

## 7. REDEMPTION OF REDEEMABLE BONDS FOR NEW SHARES

### a. Mandatory redemption for new Shares:

On the Maturity Date (the “**Redemption Period**”), each Redeemable Bond will be redeemed for new Shares (the “**Redemption Right**”) at a redemption ratio of 100 Shares per Redeemable Bond (the “**Redemption Ratio**”), subject to adjustments set out in Condition 8(a)(ii) (*Adjustments to the Redemption Ratio in the event of certain transactions*), provided however that (i) each Bondholder shall be entitled to exercise its Redemption Rights on part or all of the Redeemable Bonds that it holds at any time as from 1 January 2007, (ii) each Bondholder shall be entitled to exercise its Redemption Rights on part or all of the Redeemable Bonds that it holds prior to 1 January 2007 upon the occurrence of a Release Event as set out in Condition 7(d) (**Release Event**), and (iii) each Bondholder shall be entitled to exercise its Redemption Rights prior to 1 January 2007 on a number of Redeemable Bonds representing 10% of the Redeemable Bonds that it holds at the Issue Date.

### b. Delivery of the Shares upon Redemption of the Redeemable Bonds :

(i) *Redemption on the Maturity Date*: Except as otherwise provided herein, the Issuer shall effect the transfer, with respect to all Redeemable Bonds to be redeemed, to the relevant Bondholder of the corresponding number of Shares as soon as practicable and, in any event

no later than the fifth Business Day following the Maturity Date.

(ii) *Redemption before the Maturity Date*: To exercise their Redemption Rights before the Maturity Date, the Bondholders must make their request to the Issuer and/or the Exchange Agent (the date of such request is referred to as the “**Exercise Date**”). The Bondholders will be delivered their Shares on the fifth Business Day following the date of the Exercise Date (the “**Redemption Date**”).

### c. Suspension of the Redemption Right:

(i) In the event of an increase in share capital, an issue of securities conferring rights to receive Shares, a merger (*fusion*) or de-merger (*scission*) or any other transactions conferring preferential subscription rights or having a priority subscription period for the benefit of existing shareholders of the Issuer, the Issuer shall be entitled to suspend the Redemption Right for a period not exceeding three months. This right does not prejudice the Redemption Rights of the Bondholders or the Redemption Period set out in Condition 7(a) (**Mandatory redemption for new Shares**).

(ii) The Issuer's decision to suspend the exercise of any Redemption Right will be notified to the Bondholders in accordance with Condition 12 (*NOTICES*) not less than seven days before the date on which such suspension comes into force and will state both the date on which the suspension comes into force and the date the suspension will end.

### d. Release Event:

In accordance with Condition 7(a), each Bondholder will be entitled, at its sole discretion, to exercise its Redemption Right upon and after the occurrence of any of the following events (a “**Release Event**”):

(i) *Non-payment*: the Issuer fails to pay any amount payable in respect of the Redeemable Bonds within two Business Days of the due date for payment thereof;

(ii) *Breach of other obligations*: the Issuer fails to perform or observe any of Condition 2 (*STATUS*), Condition 3 (*NEGATIVE PLEDGE*) or Condition 7 (*REDEMPTION OF THE REDEEMABLE BONDS FOR NEW SHARES*) or any of its other obligations in respect of the Redeemable Bonds and the Issuer fails to remedy such default within 15 days of its occurrence;

(iii) *Insolvency or winding up, etc.*: the Issuer proposes a general moratorium in relation to its debt, applies for the appointment of a conciliator or receiver (*conciliateur* or *mandataire ad hoc*) or enters into an amicable



## Purpose and texts of the resolutions

settlement (*accord amiable*) with its main creditors pursuant to Articles L.611-3 to L.611-6 and following of the *Code de Commerce* (as amended as the case may be), is subject to liquidation proceedings (*liquidation judiciaire*) or the transfer of its entire business (*cession totale de son entreprise*) or any other equivalent measure or procedure, concludes any agreement or other arrangement in favour of its creditors or its main creditors in view of the re-organization or rescheduling of its Indebtedness, or the appointment of any receiver, trustee or judicial custodian (*administrateur judiciaire, administrateur provisoire* or *mandataire ad hoc*), or is liquidated or dissolved, with the exception of a liquidation or dissolution previously authorised by the *Masse* and resulting from its restructuring, reorganization, absorption or merger;

(iv) **Cross Acceleration of Issuer:** (i) the Issuer is in default (however such default is described) in the due performance or observance of any obligation in respect of any Indebtedness representing € 100,000,000 or more (other than the Redeemable Bonds or the Convertible Bonds) and the maturity of such Indebtedness is accelerated (however such acceleration occurs); or (ii) the Issuer is in default (however such default is described) in respect of any amount which it has not paid or repaid on its due date (or within any applicable grace period) in its capacity as a guarantor, or indemnitor, or surety (*caution*) in relation to any Indebtedness representing € 100,000,000 or more, unless the Issuer disputes in good faith in court proceedings or by any other procedure that the amount in default is due and that the claim invoking the existence of such failure of the Issuer with respect to the amount in default is withdrawn, dismissed or suspended within 90 calendar days from the due date invoked; or (iii) the Issuer is in default (however this default is described) under the Convertible Bonds;

(v) **Security Enforced:** in the event that part of the Issuer's assets and/or income representing, in the aggregate, € 75,000,000 or more, were to be the subject, at any moment, of an attachment, judicial measure or a procedure to enforce a security on any asset or income, and in the event that such attachment, judicial measure or enforcement procedure remains in force or if the measures implemented to enforce such security on any such asset or income are not refused or suspended within a period of 30 days;

(vi) **Shares no longer listed:** if the Shares are no longer admitted to listing and trading on the Euronext Market of Euronext Paris;

(vii) **Similar Transaction:** the public announcement by the Issuer or the consummation of a Similar Transaction;

(viii) **Takeover Bid:** the filing by any third party with the *Autorité des Marchés Financiers* of a takeover bid (*offre publique*) for the Shares;

(ix) **Material Disagreement:** the occurrence of any Material Disagreement;

(x) **Change of Influence:** if a Change of Influence has occurred unless (x) with the Support of the Supervisory Board and (y) the Investor Representative(s) voted for such Support at the relevant Supervisory Board meeting; or

(xi) **Legal prevention of payment:** if the Issuer would on the next payment of principal or interest in respect of the Redeemable Bonds be prevented by French law from making payment to the Bondholders of the full amounts then due and payable.

### 8. MAINTENANCE OF BONDHOLDERS' RIGHTS

#### a. Adjustment of the Redemption Ratio:

##### (i) Issuer's obligations

In accordance with French law, the Issuer undertakes, for as long as any Redeemable Bond is outstanding, not to redeem its share capital, or to alter the way it allocates its profits, without having taken all necessary measures in order to preserve the rights of the Bondholders which would exercise their Redemption Right.

##### (ii) Adjustments to the Redemption Ratio in the event of certain transactions

If any of the following events occurs at any time after the Issue Date:

1) issue of securities carrying listed preferential subscription rights;

2) capitalisation of reserves, profits or share premiums effected by increasing the nominal value of Shares;

3) distribution of stock dividends or other non-cash dividends on its Shares;

4) subdivision or combination of outstanding Shares into a smaller number of Shares;

5) occurrence of certain reorganisation events (e.g., merger, de-merger, spin-off);

6) repurchase of its own Shares at a price higher than the market price;

- 7) a change in the Issuer's allocation of profits;
- 8) depreciation (*amortissement*) of capital;
- 9) payment of Exceptional Dividends (as defined below);
- 10) distribution of dividend for 2004;
- 11) redemption between 1 January and the date of payment of the annual dividend; and
- 12) in the event of a modification of Articles L.228-98 and L.228-99 of the *Code de Commerce*, other occurrences that would give rise to required anti-dilution protection to holders of redeemable bonds (*obligations remboursables en actions*) under such provisions; the Redemption Ratio will be adjusted in accordance with the provisions set out below. For the avoidance of doubt, it is expressly provided that a single event may not give rise to more than one adjustment of the Redemption Ratio.

In the event of adjustments carried out in accordance with this Condition 8(a)(ii) ([Adjustments to the Redemption Ratio in the event of certain transactions](#)), the new Redemption Ratio will be calculated to two decimal places by rounding to the nearest hundredth (with 0.005 being rounded upwards). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Redemption Ratio.

The redemption of Redeemable Bonds into shares may only result in the delivery of a whole number of Shares, the treatment of fractions being dealt with in accordance with Condition 8(c) (**Treatment of fractions**).

a) In the event of a transaction conferring listed preferential subscription rights, the new Redemption Ratio of Shares will be determined by multiplying the ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Share price ex-subscription right} + \text{price of the subscription right}}{\text{Share price ex-subscription right}}$$

For the purposes of calculating this formula, the prices of the share ex-subscription right and of the subscription right will be determined on the basis of the average of the opening prices quoted on Euronext Paris (or, in the absence of listing by Euronext Paris, on any other regulated or similar market on which the Shares and subscription rights are both listed) on each Business Day falling in the subscription period during which the Shares ex-subscription right and the subscription right are simultaneously quoted.

b) In the event of an increase in share capital by capitalisation of reserves, profits or share premium or

distribution of bonus Shares, or by the subdivision or consolidation of Shares, the new Redemption Ratio will be determined by multiplying the Redemption Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Number of Shares existing after transaction}}{\text{Number of Shares existing before transaction}}$$

c) In the event of an increase in the Issuer's share capital by means of a capitalisation of reserves, profits or share premium effected by increasing the nominal value of the Shares, the Redemption Ratio will not be adjusted but the nominal value of the Shares which may be delivered to Bondholders exercising their Redemption Rights in the Issuer Shares will be increased to the same extent.

d) In the event of a distribution of reserves or share premium in the form of cash or securities, the new Redemption Ratio of Shares will be determined by multiplying the Redemption Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{\text{Share price before distribution} + \text{the amount distributed or the value of the securities distributed in relation to each share}}{\text{Share price before distribution}}$$

For the purposes of calculating this formula:

- the share price before the distribution will be calculated on the basis of the weighted average of the prices quoted on Euronext Paris on the three consecutive Business Days preceding the date of distribution;
- the value of securities distributed will be calculated as described in (i) above if the securities are listed. If the securities are not listed before the date of distribution, such value will be determined on the basis of (i) the average of the prices quoted during the three consecutive Business Days following the date of distribution if the securities are quoted during the twenty Business Days following the date of distribution of the securities, and (ii) in any other case, as determined by an independent expert of international reputation chosen by the Issuer.

e) In the event that the Issuer is taken over (*absorption*) by another company or is merged (*fusion*) with one or more companies forming a new company or is demerged (*scission*), the Redeemable Bonds will be redeemable for Shares of the acquiring or new company or beneficiary companies of a demerger.

The new Redemption Ratio of Shares will be determined by multiplying the Redemption Ratio in effect prior to





## Purpose and texts of the resolutions

the relevant transaction by the ratio of exchange of Shares of the Issuer against the Shares in the acquiring or new company or beneficiary companies of a demerger.

These companies will be substituted for the Issuer for the purpose of the above provisions, in order to, as is necessary, preserve the rights of Bondholders in the case of financial transactions or transactions on securities, and, in general, to ensure that the legal, regulatory and contractual rights of Bondholders are respected.

f) In the event of a buy-back by the Issuer of its own Shares at a price higher than the market price, the new Redemption Ratio of Shares shall be equal to the product of the Redemption Ratio in effect before the buy-back and the following ratio:

$$\frac{\text{Share value} + \text{Pc}\% \times (\text{Buy-back price} - \text{Share value})}{\text{Share value}}$$

Where:

“**Share value**” means the average weighted value over three consecutive Business Days immediately preceding the buy-back (or the option to buy-back);

“**Pc%**” means the percentage of capital bought back;

“**Buy-back price**” means the actual price at which the Shares are bought back (by definition, this will be higher than the market price).

g) In the event of a change in the Issuer’s allocation of profits, the new Redemption Ratio shall be equal to the product of the Redemption Ratio in force before the start of the relevant transaction and the following ratio:

$$\frac{\text{Share value before the change} + \text{Reduction per Share in the right to profits}}{\text{Share value before the change}}$$

To calculate this ratio, the Share value before the change in the Issuer’s allocation of profits will be determined using the weighted average of prices quoted on Euronext Paris during the three Business Days preceding the day of the occurrence of such change.

h) In the event of a depreciation (*amortissement*) of capital, the new Redemption Ratio shall be equal to the product of the Redemption Ratio in force before the start of the relevant transaction and the following ratio:

$$\frac{\text{Share value before the depreciation} + \text{Amount of the depreciation per Share}}{\text{Share value before the depreciation}}$$

To calculate this ratio, the Share value before the depreciation will be determined using the weighted average of prices quoted on Euronext Paris during the three Business Days preceding the day of the occurrence of such depreciation.

i) If the Issuer pays out an Exceptional Dividend (as defined below), the new Redemption Ratio will be adjusted as explained below.

For the purposes of this clause (i), the term “**Exceptional Dividend**” means any dividend paid in cash or in kind to shareholders, insofar as this dividend (without including the dividend tax credit) (the “**Reference Dividend**”) and all other dividends in cash or in kind paid to shareholders during a single financial year of the Issuer (without including the dividend tax credits, if any, related to such dividends) (the “**Prior Dividends**”), show a “**Ratio of Dividends Distributed**” (as defined below) greater than 3.5%.

As used in the previous sentence, the term “**Ratio of Dividends Distributed**” means the sum of the ratios obtained by dividing the Reference Dividend and each of the Prior Dividends by the market capitalisation of the Issuer on the day before the corresponding distribution date; the market capitalisation used to calculate each of these ratios is equal to the product (x) of the weighted average of the closing prices of the Issuer’s share quoted on Euronext Paris on twenty consecutive Business Days before the distribution date of the Reference Dividend or of each of the Prior Dividends multiplied by (y) the respective number of shares of the Issuer existing on each of those dates. Any dividend or any fractional dividend resulting in an adjustment of the Redemption Ratio pursuant to any other clause of this Condition 8(a)(ii) ([Adjustments to the Redemption Ratio in the event of certain transactions](#)) will not be taken into account for the application of this clause. The formula used to calculate the new share Redemption Ratio in the case of payment of an Exceptional Dividend is as follows:

$$\text{NCR} = \text{CR} \times (1 + \text{RDD} - 3.5\%)$$

in which:

- NCR means the new Redemption Ratio;
- CR means the last share Redemption Ratio in effect before the distribution of the Reference Dividend; and
- RDD means the Ratio of Dividends Distributed as defined above;

it is specified that any dividend (reduced, as applicable, by any fractional dividend resulting in the calculation of a new Redemption Ratio pursuant to any other clause of

this Condition 8(a)(ii) ([Adjustments to the Redemption Ratio in the event of certain transactions](#)) paid out between the payment date of a Reference Dividend and the end of the same financial year of the Company will result in an adjustment using the following formula:

$$\text{NCR} = \text{CR} \times (1 + \text{RDD})$$

in which:

- NCR means the new Redemption Ratio;
- CR means the last share Redemption Ratio in effect before the distribution of the Reference Dividend; and
- RDD means the ratio obtained by dividing (i) the amount of the additional dividend (net of any fraction of a dividend resulting in adjustment of the Redemption Ratio pursuant to any other clause of this Condition 8(a)(ii) ([Adjustments to the Redemption Ratio in the event of certain transactions](#))) without taking into account the related dividend tax credits, if any, by (ii) the market capitalisation of the Issuer, which is equal to the product (x) of the weighted average of the closing prices of the Issuer's share quoted on Euronext Paris on twenty consecutive Business Days before the distribution date of the additional dividend, multiplied by (y) the number of Shares of the Issuer outstanding on that date.

j) In the event that the dividend with respect to the financial year 2004 is in excess of € 1.10, the new Redemption Ratio will be determined by multiplying the Redemption Ratio in effect prior to the relevant transaction by the following formula:

$$\frac{39}{39 - (\text{ED}2004 - 1.10)}$$

Where:

“**ED2004**” means any dividend paid in cash or in kind to shareholders with respect to the 2004 financial year.

The payment by the Issuer of a dividend of up to € 1.10 per Share with respect to the 2004 financial year shall not give rise to any adjustment of the Redemption Ratio.

k) If the Redemption Date occurs between January 1<sup>st</sup> and the date of payment of the annual dividend by the Issuer, the new Redemption Ratio applicable to the Redeemable Bonds being redeemed will be determined by multiplying the prevailing Redemption Ratio by the following formula (but only to the extent this formula results in a number lower than one):

$$\frac{\text{SP} + (\text{C}-\text{D})}{\text{SP}}$$

Where:

“**SP**” means the weighted average of the closing prices of the Issuer's share quoted on Euronext Paris on twenty consecutive Business Days before the Redemption Date.

“**C**” means the net present value (calculated based on a discount rate equal to the Rate of Interest) of an amount of Interest per Redeemable Bond redeemed thereby calculated between the Redemption Date and the date of payment of the next annual dividend as published by the Issuer, failing which, June 1<sup>st</sup> of the current financial year.

“**D**” means the net present value (calculated based on a discount rate equal to the Rate of Interest between the Redemption Date and the date of payment of the next annual dividend as published by the Issuer, failing which, June 1<sup>st</sup> of the current financial year) of an amount of dividend per share paid by the Issuer during the financial year ended prior to the Redemption Date multiplied by the Redemption Ratio prevailing immediately prior to this adjustment.

#### **b. Information relating to adjustments:**

In the event of an adjustment, the new Redemption Ratio will be notified to the Bondholders by written notice in accordance with article 242-13 of Decree N°67-236 dated 23 March 1967 and Condition 12 ([NOTICES](#)).

#### **c. Treatment of fractions:**

Each Bondholder exercising its Redemption Right under the Redeemable Bonds may receive a number of Shares calculated by multiplying the number of Redeemable Bonds, having the same Exercise Date, by the relevant Redemption Ratio in effect at such time.

If the number of Shares so calculated is not a whole number, the Bondholders may request the delivery of:

- either the nearest whole number of Shares immediately less than its entitlement; in which case the Bondholders will receive a cash payment equal to the value of such fraction of a share, calculated on the basis of the share price on Euronext Paris on the Business Day preceding the Exercise Date;
- or the nearest whole number of Shares immediately greater than such entitlement, provided that in such case such Bondholders pays to the Issuer an amount equal to the value of the additional fraction of a share requested, calculated on the basis set out in the preceding paragraph.





## Purpose and texts of the resolutions

### **d. Notice to Bondholders of Preferential Subscription Rights:**

In the event that the Issuer intends to carry out a transaction carrying preferential subscription rights for its existing shareholders, the Bondholders will be notified by the Issuer prior to the commencement of such transaction by a written notice given to the Bondholders in accordance with article 242-13 of Decree No. 67-236 dated 23 March 1967 and Condition 12 (NOTICES).

### 9. OPENING OF LIQUIDATION PROCEEDINGS

In the event that the Issuer enters into liquidation proceedings ("**liquidation judiciaire**"), the net proceeds of the liquidation will be shared amongst the Bondholders and Shareholders on a *pro rata* basis. The part of the proceeds reserved for Bondholders will be determined by dividing the net proceeds of liquidation, corresponding to an amount after the realization of the assets and payment of the liabilities of the Issuer, by the total amount of (i) Shares issued by the Issuer in circulation and (ii) the new Shares which would have been issued if the Redeemable Bonds outstanding had been redeemed in new Shares by applying the Redemption Ratio in effect. The total amount that each Bondholder shall receive is the product of (i) the part of the proceeds reserved for Bondholders, calculated on the basis set out above and (ii) the number of new Shares that the Bondholders would have received in the event of Redemption of the Redeemable Bonds in Shares. This amount will be payable on the same date and at the same time as shareholders receive net proceeds from the liquidation, after other creditors, other than lenders of equity loans or holders of non-voting shares, pursuant to article L.228-97 of the *Code de Commerce*. In the event that the liabilities of the Issuer exceed the sum of the realization of the assets, the Redeemable Bonds will not be redeemed.

### 10. SHARES ISSUED UPON REDEMPTION OF THE REDEEMABLE BONDS

#### **a. Rights attaching to the Shares to be issued:**

##### (i) [New Shares to be issued on redemption](#)

New Shares issued upon redemption of the Redeemable Bonds shall be subject to all provisions of the Issuer's by-laws (statuts) and will be fully assimilated to the existing Shares.

##### (ii) [General provisions](#)

Each new or existing Share gives the right to an interest in the net assets, profits and liquidation surplus of

the relevant company in proportion to that part of the share capital represented by it, taking account of whether any share capital has been redeemed or not, whether the Shares have been fully paid up or not, the nominal value of Shares and the rights of different classes of Shares.

Each Share gives the right to one vote in general meetings of the Issuer subject to the by-laws of the Issuer.

#### **b. Listing of new Shares**

The Issuer will cause the Shares to be issued upon redemption of the Redeemable Bonds to be listed on Euronext Paris. The listing of the new Shares have been the subject of a *Note d'Opération* registered with the *Autorités des Marchés Financiers*.

### 11. REPRESENTATION OF BONDHOLDERS

In accordance with article L.228-103 of the *Code de Commerce*, the Bondholders will be grouped together in a collective group (the "**Masse**"), which shall have legal personality.

**a. Acting representative of the Masse:** If the Redeemable Bonds are held by more than one Bondholder, the acting representative of the Masse will be appointed by a general meeting of the Bondholders, pursuant to article L.228-47 of the *Code de Commerce*. The acting representative will have the power, without restriction or reservation, to take, together or separately, on behalf of the Masse, all actions of an administrative nature necessary to protect the interests of the Bondholders. The representative will exercise its duties until its death, resignation or termination of its duties by a general meeting of the Bondholders or until it becomes incapable of acting or unable to act. Its appointment shall automatically cease on the date of final or total redemption or redemption, prior to maturity or otherwise, of the Redeemable Bonds. This appointment will be automatically extended until the final resolution of any proceedings in which the representative is involved and the enforcement of any judgements rendered or settlements made. The acting representative of the Masse shall be entitled to a remuneration of € 300 per year, payable by the Issuer on each anniversary of the Issue Date so long as any Redeemable Bond remains outstanding.

**b. Substitute representative of the Masse:** If the Redeemable Bonds are held by more than one Bondholder, a substitute representative of the Masse will be appointed by a general meeting of the Bondholders. The substitute representative will, if necessary, replace

the acting representative if it is unable to act. The date on which the appointment of the substitute representative takes effect shall be the date of receipt of the registered letter by which the Issuer or Bondholder, shall have notified such substitute representative of the acting representative's inability to act, whether temporarily or permanently. Where applicable, the same notification will also be given to the Issuer in the same way. In the event of temporary or permanent replacement, the substitute representative shall have the same powers as the acting representative. It will only become entitled to the annual remuneration of € 300 if it exercises the duties of an acting representative on a permanent basis. Such remuneration will accrue from the day on which it assumes such duties.

**c. Remuneration and costs:** the Issuer will bear the remuneration of the representative of the *Masse* and the costs of calling general meetings of the Bondholders, publishing their decisions and fees linked to the possible designation of the representative of the *Masse* according to article L.228-50 of the *Code de Commerce* and, all the costs of administration and of management of the *Masse* of Bondholders.

**d. General:** meetings of the Bondholders shall be held at the registered office of the Issuer or such other place as is specified in the notice of the meeting. Each Bondholder shall have the right, during the period of 15 days prior to any meeting of the *Masse*, to examine and take copies of or to cause an agent to do so on its behalf, at the registered office or administrative headquarters of the company or at such other place as is specified in the notice for such meeting, the text of the resolutions to be

proposed and any reports to be presented to such general meeting. In the event of the consolidation of the Redeemable Bonds with further issues of bonds giving identical rights to Bondholders and if the terms and conditions of such bonds so permit, the Bondholders of all such issues shall be grouped together in a single *Masse*.

**e. Sole Bondholder:** if there is only one Bondholder, there will be no *Masse* and no representative of the *Masse* shall be appointed. The sole Bondholder shall have all the powers of the representative of the *Masse* set forth in these Conditions.

## 12. NOTICES

Notices to the Bondholders shall be valid if addressed in writing by registered mail to their respective addresses set out in the Register.

## 13. GOVERNING LAW AND JURISDICTION

**a. Governing law:** The Redeemable Bonds and all matters arising from or connected with the Redeemable Bonds are governed by, and shall be construed in accordance with French law.

**b. Jurisdiction:** The Issuer hereby irrevocably and unconditionally submits to the *Tribunal de Commerce de Paris* for all matters in relation with the Redeemable Bonds and waives any objection to proceedings in such tribunal whether on the grounds that the proceedings have been brought in an inconvenient forum or otherwise.





## Purpose and texts of the resolutions

### Authorization to reduce the Company's capital by cancelling shares

#### Purpose

The purpose of the **fifteenth resolution** is to renew the authorization given to the Management Board **to cancel all or some of the shares bought back pursuant to the twelfth resolution** and to reduce the capital accordingly. The number of shares canceled in any given 24-months period may not exceed 10% of the total shares outstanding.

The authorization is being sought for a period of 18 months and is the subject of a special report issued by the Auditors in accordance with the law.

#### Full text

##### FIFTEENTH RESOLUTION

###### Authorization given to the Management Board to reduce the capital by canceling shares

The Annual Meeting, having considered the report of the Management Board and the Auditors' special report, authorizes the Management Board, pursuant to Article L.225-209 of the Commercial Code, to:

- Cancel the shares bought back under the authorization given in the twelfth resolution and/or any other present or future authorization granted by shareholders in Annual Meeting, provided that the number of shares canceled in any twenty-four month period does not exceed 10% of the capital.
- Reduce the Company's capital accordingly and charge the difference between the purchase price of the canceled shares and their par value against additional paid-in capital or reserves available for distribution.

The Annual Meeting gives the Management Board full powers to effect the capital reduction or reductions, determine the amount and terms thereof, place on record the capital reduction or reductions resulting from the cancellation of shares under this resolution, amend the bylaws to reflect the new capital and generally carry out any necessary reporting and other formalities.

This authorization is given for a maximum period of eighteen months. It supersedes the earlier authorization given to the Management Board in the eighth resolution of the Annual and Extraordinary Meeting of May 4, 2004. It may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

### Renewal of financial authorizations

#### Purpose

In prior years, shareholders voted resolutions giving the Management Board the necessary flexibility to act swiftly to raise the financial resources needed to implement the Group's growth strategy.

With the prior approval of the Supervisory Board, the Management Board may issue shares and share equivalents in France, abroad and/or on international markets with or without pre-emptive subscription rights for existing shareholders, based on the opportunities offered by the financial markets, in the best interests of the Company and its shareholders. In 2004, the Management Board used one of these authorizations to issue bonds redeemable in shares or in cash (ORANES) to finance the acquisition of a 28.9% stake in Club Méditerranée.

Government order of June 24, 2004 and decree of February 10, 2005 have introduced major changes in the regulations governing corporate securities. To take into account these changes, shareholders are asked to renew, for a period of twenty-six months, the authorizations given at the Extraordinary Meeting of May 4, 2004 on adapted terms.

The maximum amount of debt and equity capital that may be raised is unchanged compared **with the ceilings set in the authorizations given at the Annual and Extraordinary Meeting of May 4, 2004** and all issues will be subject to the prior approval of the Supervisory Board.

The **sixteenth resolution** authorizes the Management Board to issue shares and share equivalents with pre-emptive subscription rights for existing shareholders.

The aggregate par value of shares issued under this resolution is capped at € 200 million, not including the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.

The aggregate nominal value of debt securities issued under the authorization is capped at € 2 billion or the equivalent in foreign currency.

The **seventeenth resolution** authorizes the Management Board to issue shares and share equivalents without pre-emptive subscription rights for existing shareholders.

The Management Board wants to be able to react quickly to any financial opportunity arising in rapidly changing and diverse financial markets in France and abroad, by swiftly mounting issues that can be placed with investors interested in certain types of financial instruments. To be able to do so, the Management Board needs to be in a position to offer the securities to investors without waiting for shareholders to exercise their pre-emptive rights.

If the authorization is used, shareholders may be offered the opportunity to subscribe for the securities on a priority basis, during a period and on terms to be decided by the Management Board based on market practices. The Management Board and the Statutory Auditors will issue reports in connection with any such issues, which will be made available to shareholders in accordance with the legal requirements.

The aggregate par value of shares issued under this authorization will be capped at € 100 million, corresponding to the issuance of new shares representing around 16.12% of the Company's capital at December 31, 2004.

The aggregate nominal value of debt securities issued under this authorization may not exceed € 1 billion or the equivalent in foreign currency.

## Full text

### SIXTEENTH RESOLUTION

#### Authorization to be given to the Management Board to issue shares and share equivalents with pre-emptive subscription rights

The Extraordinary Meeting, having considered the report of the Management Board and the Auditors' special report resolves, in accordance with Articles L.225-129, L.225-129-2, L.228-92, L.228-93 and other relevant provisions of the Commercial Code:

1. To give the Management Board the necessary powers to issue shares and share equivalents represented by securities carrying immediate and/or future rights to shares of the Company or of any company that is more than 50%-owned, directly or indirectly, or carrying rights to debt securities, to be paid up in cash or by capitalizing liquid and callable debt. The Management Board shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or on the international market, provided that

existing shareholders are given a pre-emptive subscription right. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies. One or several issues may be carried out under this authorization, in application of Article L.228-93 of the Commercial Code.

2. That the maximum aggregate par value of the shares issued under this authorization, directly and/or on conversion, exchange, redemption or exercise of share equivalents, may not exceed **€ 200 million**. This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.

3. That the maximum aggregate par value of debt securities carrying rights to shares that are issued under this authorization may not exceed **€ 2 billion** or the equivalent in foreign currencies or in any monetary unit determined by reference to a basket of currencies.





## Purpose and texts of the resolutions

4. That shareholders will have a pre-emptive right to subscribe for the shares and/or share equivalents issued under this authorization, as provided for by law, *pro rata* to their existing holdings. In addition, the Management Board may grant shareholders a pre-emptive right to subscribe for any shares and/or share equivalents not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emptive rights shall also be exercisable *pro rata* to the existing interest in the Company's capital of the shareholders concerned.

If the issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Management Board may take one or other of the following courses of action, in the order of its choice:

- Limit the amount of the capital increase to the subscriptions received provided that at least three-quarters of the issue is taken up.
- Freely allocate all or some of the unsubscribed shares or share equivalents among the investors of its choice.
- Offer all or some of the unsubscribed shares or share equivalents for subscription by the public.

5. That warrants to subscribe for the Company's shares may be offered for subscription on the above basis or allocated among holders of existing shares without consideration.

6. That this authorization will automatically entail the waiver of shareholders' pre-emptive right to subscribe for the shares to be issued on conversion, exchange, redemption or exercise of the share equivalents.

7. That the Management Board shall have full powers to use this authorization and to delegate said powers to the Chairman subject to compliance with the law. Accordingly, the Management Board shall decide on the timing and other terms of the issues, including the form and characteristics of the securities, the issue price and other terms of issue, the amount of each issue, the date from which the securities will carry coupon rights – which may be set retroactively – and the buyback terms, if applicable. The Management Board may also suspend the rights attached to the securities for a period not exceeding three months. The Management Board will set the rules to be applied to ensure that the rights of existing holders of share equivalents are protected, in accordance with the applicable laws and regulations. Any and all costs incurred in connection with any issues carried out under this authorization may be charged against the related premiums, as well as any other costs, at the Management Board's discretion. The Management

Board may enter into any and all underwriting agreements related to the issues. The Management Board shall have full powers to place on record the capital increases resulting from the use of this authorization, and to amend the bylaws to reflect the new capital.

In the case of issue of debt securities, the Management Board shall have full powers to decide whether to issue subordinated or unsubordinated debt, to set the interest rate, the life of the securities, the redemption price – which may be fixed or variable and may or may not include a call premium – the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company.

8. That this authorization prospectively cancels and replaces the unused portion of the authorization given in the ninth resolution of the Extraordinary Meeting of May 4, 2004 to issue shares and share equivalents with pre-emptive subscription rights.

This authorization is given to the Management Board for a period of twenty-six months as from the date of this Meeting. It may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

### SEVENTEENTH RESOLUTION

#### **Authorization to be given to the Management Board to issue shares and share equivalents without pre-emptive subscription rights**

The Extraordinary Meeting, having considered the report of the Management Board and the Auditors' special report resolves, in accordance with Articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.225-148, L.228-92 and L.228-93 and the other relevant provisions of the Commercial Code:

1. To give the Management Board the necessary powers to issue, through a public placement, shares and share equivalents represented by securities carrying immediate and/or future rights to shares of the Company or of any company that is more than 50%-owned, directly or indirectly, or carrying rights to debt securities, to be paid up in cash or by capitalizing liquid and callable debt. The Management Board shall have full discretionary powers to determine the amount and timing of said issues, which may be carried out in France or on the international market. The securities may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.

One or several issues may be carried out under this authorization, in application of Article L.228-93 of the Commercial Code.

2. That the maximum aggregate par value of the shares issued under this authorization, directly and/or on conversion, exchange, redemption or exercise of share equivalents, may not exceed **€ 100 million**. This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.

3. That shares may be issued on exercise of rights attached to securities issued by any entity in which the Company holds over one half of the capital, directly or indirectly, that are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company, subject to the latter's approval.

4. That the maximum aggregate par value of debt securities issued under this authorization may not exceed **€ 1 billion** or the equivalent in foreign currencies.

5. To waive shareholders' pre-emptive rights to subscribe for the shares or share equivalents to be issued under this authorization. The Management Board may, however, offer shareholders a priority right to subscribe for all or part of the issue, in accordance with Article L.225-135 of the Commercial Code. This priority subscription right will not be transferable.

6. That if the issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Management Board may take one or other of the following courses of action, in the order of its choice:

- limit the amount of the capital increase to the subscriptions received provided that at least three-quarters of the issue is taken up;
- freely allocate all or some of the unsubscribed shares or share equivalents among shareholders.

7. That this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on conversion, exchange, redemption or exercise of the share equivalents.

8. That the amount received by the Company for each share issued under paragraphs 1 to 7 above either directly or on conversion, exchange, redemption or exercise of share equivalents shall be at least equal to the weighted average of the prices quoted for the Company's shares over three consecutive trading days prior to the pricing date less the 5% discount provided for in the applicable laws and regulations.

The issue price of share equivalents shall be set in such a way that the amount received by the Company at the time of issue plus the amount to be received on conversion, exchange, redemption or exercise of said share equivalents, for each share issued, is at least equal to the issue price defined above.

9. That the Management Board may issue shares, other equity securities or other securities carrying immediate and/or future rights to shares of the Company, or carrying rights to debt securities, in payment for shares or other securities tendered to a stock-for-stock offer or a cash offer with a stock alternative made by the Company for the shares of another company that are traded on one of the regulated markets referred to in Article L.225-148 of the Commercial Code, provided that said issues do not exceed the ceiling for capital increases set in paragraph 2 above. In this case, the Management Board may decide, as necessary, to cancel the pre-emptive right of existing shareholders to subscribe for these shares or other securities.

10. That the Management Board shall have full powers to use this authorization and to delegate said powers to the Chairman subject to compliance with the law. Accordingly, the Management Board shall decide on the timing and other terms of the issues, including the form and characteristics of the securities, the issue price and other terms of issue (including the exchange parity in the case of securities issued in connection with a stock-for-stock offer or a cash offer with a stock alternative made by the Company), the amount of each issue (where applicable, based on the number of securities tendered to a public offer made by the Company), the date from which the securities will carry coupon rights – which may be set retroactively – and the redemption terms, if applicable. The Management Board may also suspend the rights attached to the securities for a period not exceeding three months. The Management Board will set the rules to be applied to ensure that the rights of existing holders of share equivalents are protected, in accordance with the applicable laws and regulations. Any and all costs incurred in connection with any issues carried out under this authorization may be charged against the related premiums, as well as any other costs, at the Management Board's discretion. The Management Board may enter into any and all underwriting agreements related to the issues. The Management Board shall have full powers to place on record the capital increases resulting from the use of this authorization, and to amend the bylaws to reflect the new capital.





## Purpose and texts of the resolutions

In the case of issue of debt securities, the Management Board shall have full powers to decide whether to issue subordinated or unsubordinated debt, to set the interest rate, the life of the securities, the redemption price—which may be fixed or variable and may or may not include a call premium—the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the Company.

11. That this authorization cancels and replaces the authorization given to the Management Board in the eleventh resolution of the Extraordinary Shareholders' Meeting of May 4, 2004.

This authorization is given to the Management Board for a period of twenty-six months as from the date of this Meeting. It may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

### Authorization to issue shares or other securities representing a maximum of 10% of the capital in payment for contributed assets

#### Purpose

The **eighteenth resolution** is being tabled in response to new legal provisions concerning contributed assets. It allows the Management Board to issue shares or other securities in payment for contributed assets, provided that said issues do not result in the capital being increased by more than 10%.

The procedure continues to be governed by the rules relating to contributed assets, particularly the requirement to have the assets valued by an appraisal auditor in accordance with Article L.225-147 of the Commercial Code.

This authorization may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

#### Full text

##### **EIGHTEENTH RESOLUTION**

##### **Authorization to be given to the Management Board to issue shares or other securities representing a maximum of 10% of the capital in payment for assets contributed to the Company**

The Extraordinary Meeting, having considered the report of the Management Board, resolves, in accordance with Article L.255-147, paragraph 6, of the Commercial Code, to give the Management Board a twenty-six-month authorization, as from the date of this Meeting, to decide to issue shares or share equivalents in payment for shares or share equivalents contributed to the Company in transactions not governed by Article L.225-148 of the Commercial Code. The shares issued directly or indirectly under this authorization may not exceed 10% of the Company's capital at the time of issue of the shares or share equivalents.

In accordance with the law, the Management Board's decision to carry out any issues under this authorization will be based on the report of one or several appraisal auditors, as required by Article L.225-147 of the Commercial Code.

The Extraordinary Meeting gives the Management Board full powers to use this authorization and to approve the value attributed to the contributed assets, place the capital contribution on record, charge any fees and expenses to the share premium together with any other amounts decided by the Management Board or the Ordinary Shareholders' Meeting, increase the capital and amend the bylaws to reflect the new capital.

This authorization may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

## Authorization to increase the amount of any issues that are over-subscribed

### Purpose

The purpose of the **nineteenth resolution** is to authorize the Management Board, with the prior approval of the Supervisory Board, to increase the amount of any issues of shares and share equivalents without pre-emptive subscription rights that are oversubscribed. The issues concerned are those authorized by the sixteenth and seventeenth resolutions. Additional shares issued under this authorization, directly or indirectly, may not represent more than 15% of the capital.

This resolution is being tabled pursuant to the publication of the government order of June 24, 2004, which officially recognizes an existing market practice.

The authorization may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

### Full text

#### NINETEENTH RESOLUTION

##### **Authorization to increase the amount of any issues that are over-subscribed**

The Extraordinary Meeting, having considered the report of the Management Board and the Auditors' special report, resolves, in accordance with Article L.225-135-1 of the Commercial Code and provided that the sixteenth and/or seventeenth resolutions are adopted, to give the Management Board a twenty-six-month authorization, as from the date of this Meeting, to increase the number of shares or share equivalents to be issued with or without

pre-emptive subscription rights, at the same price as for the original issue. This authorization may be used in the thirty days that follow the close of the subscription period. Additional shares issued under this authorization, directly or indirectly, may not represent more than 15% of the capital, nor may they exceed the blanket ceiling set in the twenty-first resolution.

This authorization may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.





## Purpose and texts of the resolutions

### Authorization to issue shares to be paid up by capitalizing retained earnings, income, additional paid-in capital or any other eligible amounts

#### Purpose

The purpose of the **twentieth resolution** is to authorize the Management Board to issue shares to be paid up by capitalizing retained earnings, income, additional paid-in capital or any other eligible amounts.

The Management Board may use this authorization in tandem with a share issue for cash carried out pursuant to the sixteenth and seventeenth resolutions.

The authorization may also be used to raise the par value of existing shares or to issue stock grants.

#### Full text

##### TWENTIETH RESOLUTION

###### Authorization to be given to the Management Board to issue shares to be paid up by capitalizing retained earnings, income, additional paid-in capital or any other eligible amounts

The Extraordinary Meeting, having considered the report of the Management Board, resolves in accordance with Articles L.225-129, L.225-192-2 and L.225-130 of the Commercial Code:

1. To give the Management Board full powers to increase the capital by capitalizing retained earnings, income, additional paid-in capital or other eligible amounts, including in conjunction with a share issue for cash carried out under the sixteenth and seventeenth resolution, and to issue bonus shares and/or increase the par value of existing shares, as well as to determine the amount and timing of such issues.

2. That the maximum aggregate amount by which the capital may be increased under this authorization may not exceed **€ 200 million**. This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.

3. That the Management Board shall have full powers to use this authorization and to delegate said powers to the Chairman or to one of its members, with the Chairman's agreement, subject to compliance with the law. Accordingly, the Management Board shall be authorized to:

- set the terms and conditions of the authorized operations, decide the amount and types of items to

be capitalized, the number of new shares to be issued or the amount by which the par value of existing shares is to be increased, set the retrospective or future date from which the new shares will carry dividend and voting rights or the date on which the increase in par value will be effective, and to charge the share issuance costs and any other costs against the related premium;

- decide that, in accordance with the provisions of Article L.225-130 of the Commercial Code, rights to fractions of shares will be non-transferable and that the corresponding shares will be sold, with the proceeds of such sale attributed to holders of rights no later than thirty days following the date on which the whole number of shares awarded to them is recorded in their account;
- take all necessary measures and enter into any and all agreements to permit the execution of the planned transaction or transactions, and generally do whatever is necessary, carry out all actions and formalities required to implement the capital increase or increases carried out under this authorization and amend the bylaws to reflect the new capital.

4. That this authorization supersedes all earlier authorizations to increase the capital by capitalizing retained earnings, income, additional paid-in capital or other eligible amounts.

This authorization is given to the Management Board for a period of twenty-six months as from the date of this Meeting. It may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

## Blanket ceiling on financial authorizations

### Purpose

The **twenty-first resolution** sets a cap on the aggregate par value of share issues with or without pre-emptive subscription rights, pursuant to the sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions, within the authorized period.

The ceiling of € 300 million does not include the par value of any shares to be issued to protect the rights of current holders of share equivalents.

This blanket ceiling is the same as that set by the Extraordinary Meeting of May 4, 2004.

### Full text

#### TWENTY-FIRST RESOLUTION

##### Blanket ceiling on the authorizations to issue shares and share equivalents

The Extraordinary Meeting, having considered the report of the Management Board and by virtue of the adoption of the sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions, resolves to set at **€ 300 million** the maximum aggregate par value of shares to be issued

directly or on conversion, exchange, redemption or exercise of share equivalents pursuant to the above authorizations, provided that said ceiling shall not include the par value of any additional shares to be issued to protect the rights of existing holders of share equivalents as required by law.

## Employee share issue

### Purpose

**According to the provisions of the Act of February 19, 2001 (Article 29-1-1)**, whenever companies seek authorizations to issue shares, such as those given in the sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions, they must also submit to shareholders a resolution authorizing an employee share issue.

The **twenty-second resolution** renews on the same terms and for the same maximum amount, the authorization given to the Management Board at the Extraordinary Meeting of May 4, 2004. This authorization will cover the same period of twenty-six months during which the Management Board will be authorized to issue shares and share equivalents under the sixteenth, seventeenth, twentieth nineteenth and twentieth resolutions. The shares will be offered for subscription by employees through a Group employee stock ownership plan or directly in countries where this is not possible. The total number of shares and share equivalents that may be issued under this authorization and the earlier authorizations including that of the Extraordinary Meeting of May 4, 2004, which it replaces, will be limited to the equivalent of 2% of the Company's capital on the date the issue is decided by the Management Board.

As stipulated in Article L.443-5 of the Labor Code, the shares will be offered at a price not exceeding the average of the prices quoted for Accor shares over the twenty trading days preceding the date of the Management Board's decision, or at a discount to this average price. The maximum discount that may be granted is set by the applicable regulations.

The Management Board will be required to seek the prior approval of the Supervisory Board before using this authorization, in accordance with Article 15 of the bylaws.



## Purpose and texts of the resolutions

With the approval of the Supervisory Board, given on January 7, 2004, the Management Board decided to carry out an employee share issue pursuant to the authorization given in the fourteenth resolution of the Extraordinary Meeting of May 20, 2003. The issue was carried out on July 9, 2004, after the Management Board had decided the pricing and subscription period. A total of 391,134 new shares were issued, representing 0.19% of the capital at December 31, 2004. The operation was described in an information memorandum approved by the French stock exchange authorities (*Autorité des Marchés Financiers*) on May 12, 2004, which is available for consultation on the Accor website, [www.accor.com](http://www.accor.com).

### Full text

#### TWENTY-SECOND RESOLUTION

##### **Authorization to be given to the Management Board to issue shares and share equivalents to employees who are members of an Accor Group employee stock ownership plan**

The Extraordinary Meeting, having considered the report of the Management Board and the Auditors' special report, and as provided for in Articles L.443-1 *et seq.* of the Labor Code dealing with employee share ownership and Article L.225-138-1 of the Commercial Code:

1. Gives the Management Board a twenty-six month authorization, as from the date of this Meeting, to issue shares and share equivalents to employees of the Company and French and foreign related companies within the meaning of Article L.225-180 of the Commercial Code, who are members of an Accor Group employee stock ownership plan ("*Plan d'Epargne d'Entreprise*").
2. Authorizes the Management Board to grant shares or share equivalents to employees without consideration, within the limits prescribed in Article L. 443-5 paragraph 4 of the Labor Code.
3. Resolves that the total number of shares that may be issued under this or any earlier authorization to the same effect may not exceed the equivalent of 2% of the Company's capital on the date of the Management Board's decision.
4. Resolves that the new shares may not be issued at a price in excess of the average of the prices quoted for Accor shares over the twenty trading days preceding the date of the Management Board's decision setting the opening date of the subscription period, or at a discount to this average price which exceeds the maximum discount allowed by law, and that the characteristics of the share equivalents will be set by the Management Board in accordance with the applicable regulations.

5. Notes that these decisions automatically entail the waiver by shareholders of their pre-emptive rights to subscribe for the shares to be offered to employees for subscription.

6. Gives full powers to the Management Board to:

- prepare the list of companies whose employees will be entitled to subscribe for the shares;
- decide that the shares may be acquired either through a corporate mutual fund or directly;
- to allow employees a specified period of time to pay up their shares;
- set the terms and conditions of membership of the employee stock ownership plan, as well as draw up or amend the plan rules;
- set the opening and closing dates of the subscription period and the issue price of the shares;
- determine the number of new shares to be issued;
- place on record the capital increases;
- carry out any and all transactions and formalities, directly or through a duly authorized representative;
- amend the Company's bylaws to reflect the new capital and generally, take all appropriate action and do whatever is necessary to comply with the applicable laws and regulations.

This authorization supersedes the authorization given to the Management Board in the thirteenth resolution of the Extraordinary Meeting of May 4, 2004. It may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.

## Employee stock grants without consideration

### Purpose

Accor is a service company whose growth is rooted in the motivation and quality of its employees. One of the basic tenets of its human resources policy is to build staff loyalty. This is achieved by nurturing individual skills and setting up reward systems such as incentive bonuses, employee stock ownership plans and stock option plans.

Article 83 of the 2005 Finance Act allows companies to grant shares to employees without consideration, according to a system that is similar to a stock option plan. These stock grants can therefore be used as an alternative to stock options.

In the **twenty-third resolution**, shareholders are invited to authorize the Management Board, with the prior approval of the Supervisory Board, to grant existing or newly-issued shares to all or some employees or officers of the Group without consideration. These grants, carried out on one or several occasions, will be deducted from the ceiling of 8% of the capital outstanding on the date of the Management Board's decision that currently applies to stock option grants authorized at the Extraordinary Meeting of May 20, 2003.

Consequently, for the purpose of determining whether the 8% ceiling has been met, account will be taken of all options outstanding as of the date of the Management Board's decision plus the number of shares granted without consideration. Adoption of this resolution will not therefore lead to any additional dilution of capital as the 8% blanket ceiling remains unchanged.

### Full text

#### TWENTY-THIRD RESOLUTION

##### Authorization to be given to the Management Board to make stock grants without consideration

The Extraordinary Meeting, having considered the report of the Management Board and the Auditors' special report, resolves, in accordance with Articles L.225-197-1, L.225-197-2 et seq. of the Commercial Code:

- to authorize the Management Board to grant, on one or several occasions, existing or newly-issued shares of the Company without consideration;
- that said grants may be made to employees or certain categories of employees and/or officers of the Company and/or of the entities directly or indirectly related to the Company within the meaning of Article L225-197-2 of the Commercial Code;
- that the Management Board shall draw up the list of recipients and the conditions and criteria for making said grants;
- that the sum of the total number of shares granted with consideration under this resolution, plus the number of stock options granted to employees under the Group's stock option plans that are outstanding on the date of the Management Board's decision, may not exceed the authorized ceiling of stock options, as authorized by the Annual and Extraordinary Meeting on May 2003, 8% of Company's capital on the date of the Management Board's decision;
- that the rights to said shares shall vest after a period of no less than two years and no more than four years, to be followed by a lock-up period of no less than two years and no more than four years from the vesting date;
- that, by virtue of this resolution, shareholders automatically waive their right to the portion of retained earnings that may be capitalized to pay up any new shares issued under this resolution.

This authorization is given for a period of fourteen months as from the date of this Meeting.

The Extraordinary Meeting gives the Management Board full powers to use this authorization, to delegate said powers to the Chairman and/or to one of its members, with the Chairman's agreement, as provided for by law, and to set the dates and terms of grant, take any necessary or appropriate measures, enter into any and all agreements to permit the completion of the share grants, place on record the capital increase(s) resulting from any grants made under this authorization and amend the bylaws to reflect the new capital.

This authorization may only be used by the Management Board with the prior approval of the Supervisory Board, in accordance with Article 15 of the bylaws.



## Purpose and texts of the resolutions

### Amendments to the bylaws

#### Purpose

The purpose of the **twenty-fourth resolution** is to update articles 1 and 9 of the bylaws to take into account the incorporation of the Companies Act into the Commercial Code, and to align certain other clauses of the bylaws with the government order of June 24, 2004 which simplifies the rules governing shareholder authorizations of bond issues (Article 12 of the bylaws).

#### Full text

#### TWENTY-FOURTH RESOLUTION

**Amendment of the bylaws to reflect the provisions of the Commercial Code amended by government order no. 2004-604 of June 24, 2004 as ratified by the Act to streamline legislative provisions**

##### AMENDMENT OF ARTICLE 1 OF THE BYLAWS

The Extraordinary Meeting resolves to amend **Article 1** of the bylaws as follows:

The words “118 to 150 of the Companies Act” are replaced by the words “L.225-57 to L.225-93 of the Commercial Code”.

##### AMENDMENT OF ARTICLE 9 OF THE BYLAWS

The Extraordinary Meeting resolves to amend **Article 9** of the bylaws as follows:

The words “Articles 356-1 *et seq.* of the Companies Act” in the fourth and fifth paragraphs are replaced by the words “L.233-10 of the Commercial Code”.

##### ISSUANCE OF BONDS: AMENDMENT OF ARTICLE 12 OF THE BYLAWS

The Extraordinary Meeting resolves, in accordance with Article L.228-40 of the Commercial Code, to amend **Article 12** of the bylaws to read as follows:

“The Management Board may decide or authorize the issuance of bonds in accordance with the provisions

of the law, and may delegate to the Chairman or to one of its members, with the Chairman's agreement, for a period of one year, the necessary powers to carry out the bond issue and decide the terms thereof. The bond holders shall have the rights and shall be represented as provided for by law.

The issue of securities carrying rights to shares or to debt securities, as defined in Articles L.228-91 *et seq.* of the Commercial Code is authorized by the Extraordinary Meeting on the basis provided for by law.”

##### MANAGEMENT BOARD POWERS:

##### AMENDMENT OF ARTICLE 15 OF THE BYLAWS

The Extraordinary Meeting resolves, in accordance with Articles L.225-129 *et seq.* and L.228-40 of the Commercial Code, to amend **Article 15** of the bylaws, paragraphs 7 and 8, to read as follows:

“- Issuance of securities carrying rights to shares or debt securities authorized by the Extraordinary Shareholders' Meeting pursuant to Articles L.225-129 *et seq.* of the Commercial Code.

- Issuance of bonds, as provided for in Article L.228-40 of the Commercial Code, or other debt securities, with a life or in an amount in excess of the limits set by the Supervisory Board.”

## Reduction in the term of office of members of the Supervisory Board

### Purpose

Supervisory Board members are currently elected for a six-year term. A shorter period is more in keeping with best practice in the area of corporate governance. Shareholders are therefore invited, in the **twenty-fifth resolution**, to reduce the term of Supervisory Board members from six to four years and to amend Article 16 of the bylaws accordingly.

### Full text

#### TWENTY-FIFTH RESOLUTION

##### **Reduction in the term of office of members of the Supervisory Board and amendment of Article 16 of the bylaws**

The Extraordinary Meeting resolves to reduce the term of office of members of the Supervisory Board from six to four years, and to amend Article 16 of the bylaws accordingly. Adoption of this resolution will not have the effect of altering the duration of the current terms of sitting Supervisory Board members.

## Powers to carry out formalities

### Full text

#### TWENTY-SIXTH RESOLUTION

##### **Powers to carry out formalities**

The Annual Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by law.

