



## Notice of Meeting

# Ordinary and Extraordinary Shareholders' Meeting

**7 JUNE 2011** at 2.30 p.m.

In the Amphithéâtre Bleu, Palais des Congrès de Paris  
2, place de la Porte Maillot - 75017 Paris

**Documents in accordance with Article R. 225-81 of the French  
*Code de commerce***

A French limited liability company with Management and Supervisory Boards  
and capital of €235,888,164

Registered office: 27, avenue du Général Leclerc - Boulogne-Billancourt (92100), France  
RCS Nanterre 552 142 200



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*Free translation for English readers*

## **Please contact us if you require further information:**

### **VALLOUREC**

Shareholder Relations  
27, avenue du Général Leclerc  
92100 Boulogne-Billancourt  
Tel.: +33 (0)1 49 09 39 76 – Fax: +33 (0)1 49 09 36 94  
Email: [actionnaires@vallourec.fr](mailto:actionnaires@vallourec.fr)

**Full information is available on the Group website at: [www.vallourec.com](http://www.vallourec.com)**



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## STATEMENT BY THE CHAIRMAN OF THE SUPERVISORY BOARD



Meeting 7 June 2011 at 2.30 p.m.

Dear Shareholder,

It is with great pleasure that I invite you to the Ordinary and Extraordinary Shareholders' Meeting of Vallourec, which will be held on **7 June 2011 at 2.30 p.m. in the Amphithéâtre Bleu of the Palais des Congrès de Paris, 2 place de la Porte Maillot.**

At the meeting the Chairman, Philippe Cruzet, and the members of the Management Board will update you on Vallourec's progress in 2010 and the outlook for the future.

The Shareholders' Meeting is **an ideal opportunity to obtain information and exchange views.** It is also an opportunity for you, the shareholders, **to take an active part**, *via* your vote, in the key decisions affecting your Group, irrespective of the number of shares you hold.

**I very much hope that you will be able to participate in the meeting by attending in person, casting a postal vote**, or appointing as your proxy the Chairman of the meeting, or any other legally authorized person. In this respect, I draw your attention to the fact that the legislation now allows shareholders of listed companies to appoint any individual or legal entity of their choice to act as their representative and participate and vote in the Shareholders' Meeting on their behalf.

In the following pages you will find **practical information** on how you can participate in this meeting, the agenda for the meeting, and the text of the resolutions submitted for your approval.

Thank you for your trust.

**Jean-Paul PARAYRE**  
Chairman of the Supervisory Board



## Within the remit of the Ordinary Shareholders' Meeting

- The Management Board's report on the draft resolutions
- The Management Board's management report
- The Supervisory Board's report
- The Statutory Auditors' report on the annual financial statements for the financial year ending 31 December 2010
- The Statutory Auditors' report on the consolidated financial statements for the financial year ending 31 December 2010
- The Statutory Auditors' special report on regulated agreements and commitments
- Approval of the statutory financial statements for the 2010 financial year (*first resolution*)
- Approval of the consolidated financial statements for the 2010 financial year (*second resolution*)
- Allocation of the net profit for the 2010 financial year and setting of the dividend at €1.30 per share (*third resolution*)
- Option to receive payment of the dividend in shares (*fourth resolution*)
- Ratification of the provisional appointment of Mrs Pascale Chargrassé as the member of the Supervisory Board representing employee shareholders (*fifth resolution*)
- Renewal of the term of office of Mrs Pascale Chargrassé as the member of the Supervisory Board representing employee shareholders (*sixth resolution*)
- Renewal of the term of office of Mr Jean-Paul Parayre as a member of the Supervisory Board (*seventh resolution*)
- Renewal of the term of office of Mr Patrick Boissier as a member of the Supervisory Board (*eighth resolution*)
- Appointment of Mrs Anne-Marie Idrac as a member of the Supervisory Board (*ninth resolution*)
- Appointment of Mr François Henrot as a Censeur (non-voting member) to the Supervisory Board (*tenth resolution*)
- Authorization for the Management Board to trade in the Company's own shares (*eleventh resolution*)

## Within the remit of the Extraordinary Shareholders' Meeting

- The Management Board's report on the draft resolutions
- The Statutory Auditors' special reports on the *twelfth to nineteenth* and *twenty-first to twenty-seventh resolutions*
- Delegation of authority to the Management Board to issue, with preferential subscription rights, shares in the Company and/or securities giving access to the capital of the Company or its subsidiaries (*twelfth resolution*)
- Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, via public share offering(s), shares in the Company and/or securities giving access to the capital of the Company or its Subsidiaries (*thirteenth resolution*)
- Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, via private placement(s), shares in the Company and/or securities giving access to the capital of the Company or its subsidiaries (*fourteenth resolution*)
- Authorization for the Management Board to set the issue price for shares issued in the Company with the cancellation of preferential subscription rights, and/or securities giving access to the share capital of the Company or its subsidiaries, realized pursuant to the *thirteenth* and/or *fourteenth resolutions* proposed at the current Shareholders' Meeting, in accordance with terms determined by the Shareholders' Meeting, within a limit of 10% of the capital per year (*fifteenth resolution*)



- ▶ Delegation of authority to the Management Board to increase the number of securities to be issued, with or without the cancellation of preferential subscription rights, in a capital increase realized pursuant to the *twelfth to fifteenth resolutions* proposed at the current Shareholders' Meeting (*sixteenth resolution*)
- ▶ Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, shares and/or securities giving access to the capital of the Company in consideration of in-kind contributions consisting of shares or securities giving access to the capital of other companies, except for share exchange offers initiated by the Company (*seventeenth resolution*)
- ▶ Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, shares in the Company and/or securities giving access to the capital of the Company, in the event of a share exchange offer initiated by the Company (*eighteenth resolution*)
- ▶ Delegation of authority to the Management Board to issue shares in the Company, subsequent to the issue of securities giving access to the Company's shares by the Company's subsidiaries (*nineteenth resolution*)
- ▶ Delegation of authority to the Management Board to increase the share capital by capitalizing additional paid-in capital, reserves or profits (*twentieth resolution*)
- ▶ Delegation of authority to the Management Board to issue securities with rights to debt securities which do not increase the capital of the Company (*twenty-first resolution*)
- ▶ Delegation of authority to the Management Board to issue shares and/or securities giving access to the capital of the Company, reserved for members of savings schemes, with the cancellation of preferential subscription rights in their favour (*twenty-second resolution*)
- ▶ Delegation of authority to the Management Board to issue shares and/or securities giving access to the capital of the Company, reserved for employees of Vallourec companies outside France (and those with similar rights in accordance with Article L. 3332-2 of French *Code du travail* (Labour Code)) excluding company savings schemes, with the cancellation of preferential subscription rights in their favour (*twenty-third resolution*)
- ▶ Delegation of authority to the Management Board to issue shares and/or securities giving access to the capital of the Company, reserved for credit institutions or any entity, whether or not incorporated as a legal entity, whose sole object is to subscribe for, hold, and sell the Company's shares or other financial instruments within the scope of an operation reserved for employees, with the cancellation of preferential subscription rights (*twenty-fourth resolution*)
- ▶ Authorization for the Management Board to allocate existing shares free of charge, or to issue new shares to subscribers to an employee share ownership offering implemented within Group companies located outside France, or to some of them, pursuant to the *twenty-second and/or twenty-third resolution(s)* (*twenty-fifth resolution*)
- ▶ Authorization for the Management Board to allocate existing performance shares, or to issue new shares to eligible employees and Corporate Officers of the Group, or to some of them (*twenty-sixth resolution*)
- ▶ Authorization for the Management Board to decrease the share capital by cancelling own shares (*twenty-seventh resolution*)
- ▶ Amendment of by-laws regarding the length of the term of office for Supervisory Board members (*twenty-eighth resolution*)
- ▶ Amendment of by-laws relating to the representation of employee shareholders on the Supervisory Board (*twenty-ninth resolution*)
- ▶ Powers for formalities (*thirtieth resolution*)



# HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING AND EXERCISE YOUR VOTING RIGHT?

**All shareholders, irrespective of the number of shares they hold, are entitled to participate in this Shareholders' Meeting.**

To gain admission to the Meeting, shareholders will be required to produce the following documents:

- an admission card, which may be obtained as described below;
- an identity document.

If they cannot personally attend the meeting, shareholders may select from one of the following three options:

- 1) casting a postal vote;
- 2) sending a power of attorney to the Company without appointing a representative, in which case a vote will be cast in favour of the adoption of the draft resolutions approved by the Management Board;
- 3) giving power of attorney to any individual or legal entity of their choice.

The only persons permitted to attend the Shareholders' Meeting, cast postal votes or be represented at the meeting are shareholders who have provided evidence of their status by shares being recorded in accounts in their name or the name of an intermediary registered on their behalf, on the third business day preceding the meeting, *i.e.* Thursday 2 June 2011 at 00:00, Paris time:

- either in the registered security accounts kept by the Company; or
- in the bearer security accounts kept by the authorized intermediary.

The registration or recording of the shares in bearer security accounts kept by an authorized intermediary must be shown by a certificate of holding provided by said intermediary, attached to the form for voting by post or by proxy or to the admission card request form drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary.

A certificate shall also be sent to any shareholder wishing to attend the meeting in person who has not received an admission card by midnight, Paris time, on the third business day preceding the Shareholders' meeting.

In accordance with current legislation, shareholders who cannot attend this meeting in person may choose either to nominate any person of their choice or to vote by post.

A single form for voting by post or proxy must be requested at least six days before the Shareholders' Meeting, *i.e.* no later than 1 June 2011 from **CACEIS Corporate Trust – Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux, Cedex 09 (Tel.: +33 (0)1 57 78 32 32/ Fax: +33 (0)1 49 08 05 82).**

The form is sent automatically, by post, to all shareholders whose shares are registered in a fully registered account or in a managed registered account.

This single form, together with the certificate of holding, must be sent to the relevant departments at CACEIS Corporate Trust no later than three calendar days before the holding of the meeting, *i.e.* 4 June 2010.

## Your shares are free for trading

Once a shareholder has voted by post, sent in a proxy or requested an admission card or certificate of holding, he can no longer choose any other method of participation in the meeting.

Any shareholder who has completed one of the above formalities may nevertheless transfer all or part of his shares at any time.

However, if the transfer takes place before midnight, Paris time, on the third business day preceding the meeting, the Company shall invalidate or amend the postal vote, proxy, admission card or certificate of holding accordingly. To this end, the authorized

intermediary and account holder shall notify the Company or its representative of the transfer and send it the necessary information.

No transfer or other transaction carried out after midnight, Paris time, on the third day preceding the meeting, regardless of the means used, shall be notified by the authorized intermediary or taken into consideration by the Company, notwithstanding any agreement to the contrary.

## For your information

Shareholders may obtain the documents relating to the Shareholders' Meeting and governed by Article R.225-83 of the French *Code de commerce* upon request from CACEIS Corporate

Trust. These documents are also available to shareholders at the Company's registered office and on its website ([www.vallourec.com](http://www.vallourec.com)).



To vote at the 7 June 2011 Shareholders' Meeting, you must:

- hold Vallourec registered or bearer shares on Thursday 2 June 2011 at 00:00 Paris time;
- send your voting documents to CACEIS Corporate Trust by 4 June 2011 at the latest (deadline for receipt of the documents by CACEIS).

## What do you need to do?

### STEP 1: INDICATE HOW YOU WISH TO VOTE

#### Option 1: You wish to vote in person by attending the meeting:

- Tick box A of the single form and return it as soon as possible so that you can be sure of receiving your admission card in time.

#### Option 2: You wish to vote by post:

- Tick box B of the single form, and then box B1 "Vote by post" and follow the voting instructions.

#### Option 3: You wish to appoint the Chairman of the meeting to exercise a proxy vote on your behalf:

- Tick box B of the single form, and then box B2 "I hereby give my proxy to the Chairman of the meeting".

#### Option 4: You wish to appoint another person as your proxy:

- Tick box B of the form, and then box B3 "I hereby appoint" and fill in the contact details of your representative for the meeting.

Detailed instructions for filling out the single form can be downloaded from the Vallourec website: [www.vallourec.com](http://www.vallourec.com).

The single form will be automatically sent by mail to all registered shareholders. Holders of bearer shares must apply to CACEIS before 1 June 2011.

### STEP 2: CHECK THAT YOUR CONTACT DETAILS ARE CORRECT AND AMEND THEM IF NECESSARY

### STEP 3: DATE AND SIGN THE FORM (irrespective of your choice at Step 1)

### STEP 4: RETURN YOUR SINGLE FORM (irrespective of your choice at Step 1)

You are a **registered shareholder**: send the form directly to **CACEIS** by mail or by fax. In any case, CACEIS must receive the form **no later than 4 June 2011**. **Any form received after that date will not be included** in the voting at the meeting.

You are the **holder of bearer shares**: **send the form to the establishment that manages your securities account**, who will send it to CACEIS with a certificate of holding.

However, if you are the holder of bearer shares and your valid form has not arrived by 4 June 2011, you may ask the establishment that manages your securities account for a certificate of holding and attend the Annual Shareholder's Meeting to vote in person.

#### Please note that:

- Once recorded by the CACEIS staff, your vote cannot be changed.
- Your shares are free for trading: you may sell all or part of your shares, even if you have already voted or applied for an admission card. Vallourec will take into account your exact position as of midnight on 2 June 2011 (the institution holding your account is required to inform Vallourec of this).

To contact CACEIS:

#### By mail:

CACEIS CORPORATE TRUST  
Service des Assemblées Générales  
14, rue Rouget de Lisle  
92862 Issy-les-Moulineaux Cedex 09

**By phone:** +33 (0)1 57 78 32 32

**By fax:** +33 (0)1 49 08 05 82 or 83



# HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING AND EXERCISE YOUR VOTING RIGHT?

## How to fill in your form?

### STEP 1: INDICATE HOW YOU WISH TO VOTE

Tick box **A** if you wish to vote in person by attending the Meeting.

Tick box **B** if you cannot attend the Meeting and wish to cast a postal vote or if you wish to appoint a representative, and follow instructions **B1** through **B3**.

**STEP 2: CHECK THAT YOUR CONTACT DETAILS ARE CORRECT AND MAKE NECESSARY CHANGES.**

**IMPORTANT** : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting please see instructions on reverse side

**A**  **QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**  
 Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.  
**B**  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**ASSEMBLEE GENERALE MIXTE**  
 du 7 juin 2011 à 14 h 30,  
 au Palais des Congrès - Amphithéâtre Bleu  
 2 Place de la Porte Maillot - 75017 PARIS  
**COMBINED GENERAL MEETING**  
 of 7 June 2011 at 02:30 p.m.  
 at Palais des Congrès - Amphithéâtre Bleu  
 2 Place de la Porte Maillot - 75017 PARIS

**CADRE RESERVE** / For Company's use only

Identifiant / Account  
 Nombre d'actions / Number of shares  
 Nominatif / Registered  
 Porteur / Bearer  
 VS / single vote  
 VD / double vote  
 Nombre de voix / Number of voting rights

**B1**  **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. Au verso renvoi (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Directoire, à EXCEPTION de ceux que je signale en noirissant comme ceci : la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote against or I abstain.

Sur les projets de résolutions non agréés par le Directoire, je vote en noirissant comme ceci : la case correspondante à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

	1	2	3	4	5	6	7	8	9	A	Oui/ Yes	Non/No	Abst./Abs	F	Oui/ Yes	Non/No	Abst./Abs
10	11	12	13	14	15	16	17	18	B					G			
19	20	21	22	23	24	25	26	27	C					H			
28	29	30	31	32	33	34	35	36	D					J			
37	38	39	40	41	42	43	44	45	E					K			

**B2**  **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 dater et signer au bas du formulaire, sans rien remplir  
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING  
 Date and sign at the bottom of the form without filling it  
 Cf. au verso (3) - see reverse (3)

**B3**  **JE DONNE POUVOIR À** : cf. au verso renvoi (3).  
 I HEREBY APPOINT : See reverse (3).  
 M, Mme ou Melle, Raison Sociale / M, Mrs or Miss, Corporate Name  
 Adresse / Address

**ATTENTION** : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre teneur de compte  
**CAUTION** : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your account-keepers.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
 -Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
 Cf. au verso renvoi (1) - See reverse (1)

**STEP 3: WHATEVER YOU DECIDE TO DO, DO NOT FORGET TO SIGN AND DATE THE FORM HERE.**

Date et signature

Pou être prise en considération, toute formule doit parvenir au plus tard :  
 In order to be considered, this completed form must be returned at the latest:  
 sur 1<sup>ère</sup> convocation / on 1<sup>st</sup> notification sur 2<sup>ème</sup> convocation / on 2<sup>nd</sup> notification

à la société / to the company 04/06/2011  
 à la banque / to the bank

**STEP 4: RETURN THIS FORM BEFORE THE RETURN DEADLINE.**

### B1 TO CAST A POSTAL VOTE:

tick the B1 box.

- To vote YES to a resolution, leave the box next to the resolution number concerned blank.
- To vote NO to a resolution or abstain, black out the box next to the resolution number concerned.

**B2 TO APPOINT THE CHAIRMAN OF THE SHAREHOLDERS' MEETING TO EXERCISE A PROXY VOTE ON YOUR BEHALF:** tick the B2 box.

### B3 TO APPOINT ANY PERSON OF YOUR CHOICE:

Tick the B3 box and indicate the name and contact details of your representative.

The owner of the shares must sign and date the form. If the shares are jointly owned, each joint owner must sign the form.



## THE SUPERVISORY BOARD

The Supervisory Board, which met seven times during the 2010 financial year, ensured that it was regularly informed of the performance and activity of the Company and the Group, in accordance with the legislation and the Company's by-laws. As part of its supervisory duties, it carried out the verifications and checks it considered necessary and took particular care to ensure that its structure was such as to facilitate good corporate governance.

Meetings are chaired by the Supervisory Board Chairman who ensures, in particular, that each member expresses his opinion on the important matters. In the unusual case of a Board member having a personal interest in one of the matters under consideration as specified in Article L. 225-86 of the French *Code de commerce*, he leaves the meeting while the matter concerned is being discussed.

The Supervisory Board has examined the Management Board's management report and the financial statements for the year ended 31 December 2010 as well as the various documents attached to them, and has no specific comments on any of these documents.

The Board has also approved its report to the Shareholders' Meeting which appears on page 16 of this brochure as well as the report of the Chairman of the Supervisory Board on the conditions governing the preparation and organization of the Supervisory Board's work, and the internal control and risk management procedures implemented by the Company which is included in the 2010 Registration Document.

In 2010, Vallourec's Statutory Auditors attended those Supervisory Board Meetings at which the annual and half-year financial statements were reviewed.

The effective attendance rate of Board members at meetings exceeded 80% on average for the meetings held in 2010.

Dates of Board Meetings (Financial year 2010)	Attendance rate
2 February	7/9 (78%)
23 February	8/9 (89%)
13 April	6/9 (67%)
12 May	8/9 (89%)
28 July	10/11 (91%)
9 November	10/11 (91%)
13 December	8/11 (73%)



## Composition of the Supervisory Board

	Year of birth	Date of first appointment	Date appointment most recently renewed	Date on which appointment ceases	Other main appointments held
<b>Chairman</b>					
Jean-Paul Parayre <sup>(1)</sup>	1937	13/06/1989	Ordinary Shareholders' Meeting (OSM) 01/06/2006	2011 OSM to approve financial statements for year ended 31/12/2010	Member of the Supervisory Board of Peugeot SA
<b>Vice-Chairman</b>					
Patrick Boissier <sup>(2)</sup>	1950	15/06/2000	OSM 01/06/2006	2011 OSM to approve financial statements for year ended 31/12/2010	Chairman and CEO of DCNS
<b>Members</b>					
Pascale Chargrassse <sup>(3)</sup>	1960	13/12/2010	–	2011 OSM to approve financial statements for year ended 31/12/2010	Business Development Manager at Valinox Nucléaire
Jean-François Cirelli <sup>(4)</sup>	1958	13/05/2009	–	2012 OSM to approve financial statements for year ended 31/12/2011	Vice-Chairman and President of GDF SUEZ
Vivienne Cox	1959	31/05/2010	–	2014 OSM to approve financial statements for year ended 31/12/2013	Director of Rio Tinto Chairman of Climate Change Capital
Michel de Fabiani	1945	10/06/2004	–	2014 OSM to approve financial statements for year ended 31/12/2013	Director of BP France Director of Rhodia Director of Valeo
Denis Gautier-Sauvagnac	1943	07/02/1997	OSM 01/06/2006	2011 OSM to approve financial statements for year ended 31/12/2010	Chairman and CEO of Capitol Europe and Accord Science
Edward G. Krubasik	1944	06/03/2007	OSM 04/06/2008	2012 OSM to approve financial statements for year ended 31/12/2011	Vice-Chairman of the Federation of German Industries (BDI)
Alexandra Schaaapveld	1958	31/05/2010	–	2014 OSM to approve financial statements for year ended 31/12/2013	Member of the Supervisory Board of Casino Holland
Jean-Claude Verdière	1938	01/07/2001	OSM 31/05/2010	2012 OSM to approve financial statements for year ended 31/12/2011	CEO, member of the Management Board of Vallourec until 30 June 2001
Bolloré	NA	13/11/2008	–	2014 OSM to approve financial statements for year ended 31/12/2013	
• represented by Thierry Marraud <sup>(5)</sup>	1942	13/11/2008	–	31/12/2010	CFO of Bolloré Group
<b>Censeurs (non-voting Board members)</b>					
Luiz-Olavo Baptista	1938	04/06/2008	–	2012 OSM to approve financial statements for year ended 31/12/2011	Lawyer and Professor of International Law
François Henrot <sup>(3)(6)</sup>	1949	13/12/2010	–	2011 OSM to approve financial statements for year ended 31/12/2010	President of Investment Banking Activities, Rothschild Group

(1) The Ordinary and Extraordinary Shareholders' Meeting of 7 June 2011 is asked to renew, in accordance with Article 10 paragraph 1 of the by-laws, the term of office as a member of the Supervisory Board of Mr Jean-Paul Parayre for a period of two (2) years, i.e. until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2012. Having reached the age limit of 70 years as stipulated by the by-laws, Mr Jean-Paul Parayre may be re-elected once, for a maximum period of two years, in accordance with the provisions of Article 10 paragraph 1 of the by-laws.

(2) The Ordinary and Extraordinary Shareholders' Meeting of 7 June 2011 is asked to renew, in accordance with Article 10 paragraph 1 of the by-laws, the term of office as a member of the Supervisory Board of Mr Patrick Boissier for a period of four (4) years, i.e. until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2014.

(3) Mrs Pascale Chargrassse was provisionally appointed by the Supervisory Board at its meeting on 13 December 2010, as the member of the Supervisory Board representing shareholding employees, to replace Mr François Henrot, for the remainder of her predecessor's term of office, i.e. until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2010. The Ordinary Shareholders' Meeting on 7 June 2011 will be asked to approve the ratification of this provisional appointment and the renewal of the term of office.

(4) Mr Jean-François Cirelli was appointed by the Supervisory Board at its meeting on 13 May 2009 as a member of the Supervisory Board to replace Mr Philippe Crouzet, who had resigned, for the remainder of his predecessor's term of office i.e. until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2011. This appointment was ratified by the Ordinary and Extraordinary Shareholders' Meeting of 4 June 2009.

(5) From 1 January 2011, Bolloré appointed Mr Cédric de Baillencourt as their permanent representative on the Supervisory Board of Vallourec, replacing Mr Thierry Marraud.

(6) Mr François Henrot was appointed as Censeur (non-voting Board member) of the Supervisory Board with effect from 13 December 2010 until the close of the Shareholders' Meeting on 7 June 2011. The Ordinary and Extraordinary Shareholders' Meeting of 7 June 2011 will be asked to appoint Mr François Henrot as Censeur (non-voting Board member) of the Supervisory Board in accordance with Article 10 bis of the by-laws for a period of four (4) years, i.e. until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2014.



## Ratification of provisional appointment of a member of the Supervisory Board

You are asked to ratify the provisional appointment of Mrs Pascale Chargrassé on 13 December 2010 as the member of the Supervisory Board representing shareholding employees, for the remainder of the term of office of Mr François Henrot.

## Renewal of terms of office of three members of the Supervisory Board

You are asked to renew:

- the term of office of Mrs Pascale Chargrassé as the member of the Supervisory Board representing shareholding employees for a period of four years;
- the term of office of Mr Jean-Paul Parayre as a member of the Supervisory Board for a period of two years; and
- the term of office of Mr Patrick Boissier as a member of the Supervisory Board for a period of four years.

## Appointment of a new member of the Supervisory Board

You are also asked to appoint Mrs Anne-Marie Idrac as a member of the Supervisory Board for a period of four years.

## Appointment of a Censeur (non-voting Board member) to the Supervisory Board

In order to allow the Supervisory Board to continue to benefit from the expertise and experience of Mr François Henrot, who was a member of the Supervisory Board from 1999 to 2010,

you are also asked to appoint Mr François Henrot as Censeur (non-voting Board member) to the Supervisory Board for a period of four years.



## Biographies

### **Pascale CHARGRASSE**

Mrs Pascale Chargrasse, born on 10 July 1960, graduated from Orsay Technology Institute with a diploma in Computer Science.

She joined the Group in 1985 as an Analyst Programmer. She is a member of the Supervisory Board of the Vallourec Actions corporate mutual fund (FCPE) and currently works as a Business Development Manager at Valinox Nucléaire, a wholly owned Vallourec subsidiary. She is also a union representative on the Group's Works Council. She holds 53 shares in Vallourec.

### **Jean-Paul PAYAYRE**

Mr Jean-Paul Parayre, who was born on 5 July 1937, is a graduate of École Polytechnique and École Nationale des Ponts et Chaussées. From 1967 to 1974 he held a number of managerial positions in the fields of road construction and maintenance, social affairs, the economy and finance and industrial and scientific development.

In 1974, he joined the PSA Peugeot-Citroën Group, and was appointed Chairman of its Management Board in 1977.

In 1984, he became COO and subsequently Chairman of the Management Board of Dumez and, following the merger with Lyonnaise des Eaux, was appointed Vice-President and COO of the Lyonnaise des Eaux-Dumez Group.

From 1994 to 1999, he was Vice-President and COO of the Bolloré Group.

He is currently a member of the Supervisory Board of Peugeot SA and of the Boards of Directors of Stena International Sarl and Bolloré and has, since June 2000, been Chairman of the Supervisory Board of Vallourec.

Mr Jean-Paul Parayre currently holds 237,982 Vallourec shares.

### **Patrick BOISSIER**

Mr Patrick Boissier, born on 18 February 1950, is a graduate of École Polytechnique and Harvard. He began his career with the Péchiney Group, becoming CEO in 1987 and then Vice-President & CEO of Tréfimétaux. In 1993, he left the Péchiney Group to head the Elfi group's HVAC Division.

From 1997 to 2007, he was Chairman and CEO of Chantiers de l'Atlantique (shipyards) in Saint-Nazaire, France.

He is currently Chairman and CEO of DCNS and a member of the Supervisory Board of Steria.

Mr Boissier currently holds 592 shares in Vallourec.

### **Anne-Marie IDRAC**

Mrs Anne-Marie Idrac, who was born on 27 July 1951, is a graduate of École Nationale d'Administration (ENA), Institut d'Études Politiques and the University of Paris II. From 1974, she held various administrative posts in the fields of the environment, housing, planning and transport.

She was appointed Secretary of State for Transport in 1995 and elected to the National Assembly in 1997.

She became Chairman and CEO of RATP in 2002 and then Chairman of SNCF in 2006.

In 2008, she was appointed Secretary of State for Foreign Trade, serving until 2010. Anne-Marie Idrac also serves on the Boards of several companies and institutions including the Robert Schuman Foundation.

### **François HENROT**

Mr François Henrot, born on 3 July 1949, is a graduate of École Nationale d'Administration (ENA), Institut d'Études Politiques de Paris and the University of Paris VI (economics).

He joined the Council of State in 1975, followed in 1979 by the Directorate General of Telecommunications, where he held the post of Director of Commercial and Telematic Affairs.

In 1985, he joined Compagnie Bancaire, where he was appointed CEO and subsequently Chairman of the Management Board.

From 1995 to 1997, he was a member of the Supervisory Board of Paribas and Chairman of the Supervisory Board of Crédit du Nord.

From 1997 to 2010, he was Managing Partner of Rothschild & Cie Banque.

He has been President of the Investment Bank Activities of the Rothschild Group since 2010.

François Henrot has reported that he currently holds 512 shares in Vallourec.



## The Group's key figures

In € million	2007	2008	2009	2010
Consolidated sales	6,141	6,437	4,465	4,491
EBITDA	1,751	1,694	981	925
Total consolidated net profit	1,024	1,025	537	453
Net profit attributable to owners of the Company	986	967	518	410
EBITDA/sales ratio	28.5%	26.3%	22.0%	20.6%
Cashflow from operating activities	1,196	1,235	766	708
Capital expenditure and financial investments	441	1,070	785	1,034
Net debt	-242	347	-407	381

In € per share	2007	2008	2009	2010
Earnings per share	9.5	9.2	4.7	3.6
Ordinary dividend per share *	5.50	3.00	1.75	1.30

\* The dividends distributed in 2007, 2008 and 2009 have been restated to take account of the 2:1 stock split on 9 July 2010.

## Business development

The significant improvement in the industrial environment and the energy sector translated into a significant increase in deliveries from the second quarter of 2010. Shipments of rolled tubes reached 1,888 thousand tonnes in 2010, an increase of 25.6% compared to the previous year (1,503 thousand tonnes).

However sales were more or less stable compared to the previous year at €4,491 million (+0.6% compared to 2009), due to unfavourable price and mix effects, and despite a positive impact from a change in the consolidation scope due to the inclusion of Serimax in the second quarter of 2010. The change in sales breaks down into a very positive volume effect (+25.6%), with positive effects from the change in the consolidation scope (+3.5%) and currencies (+5.4%), offset by an unfavourable price and mix effect (-26.6%).

The Group's sales increased across all markets, with the exception of Power generation.

In the **Oil & Gas** sector sales reached €2,355 million in the 2010 financial year, an increase of 5% compared to the 2009 financial year. This is Vallourec's largest activity, accounting for 53% of consolidated Group sales.

Business volume in oil & gas in the United States showed very strong growth for the full financial year, supported by the recovery in drilling activities following the fall-off in business in 2009 as well

as the growth in horizontal drilling in shale basins. The Group's finished products range of premium tubes and joints enjoyed real success for these applications. In addition, the first orders for VAM SG, the new premium connection specifically developed for non-conventional shale drilling, were delivered at the end of the year.

In the rest of the World, oil & gas markets remained dynamic. Group activity in 2010 was particularly strong in Europe, Africa, the Middle East and Brazil, with an upturn in the number of national oil companies issuing requests for proposals in the first half, and the benefit of numerous submarine line pipe projects and the integration of Serimax in the second half.

Sales in the **Power generation** sector were €780 million for the financial year, which represents a fall of 32% compared to 2009, due to the fall in shipments in the thermal power plant segment, reflecting the sharp fall in orders in 2009. Sales were also affected by the focus of these activities on projects in Asia where the market continues to be very competitive.

By contrast, growth in activities in the nuclear energy market accelerated significantly at the end of 2010, in particular in France and China. Nuclear applications represented close to 20% of sales in the Power generation sector in 2010, compared to an average of 10% during previous years. Thanks to the commissioning of additional production capacity in France from the first quarter



of 2011 for tubes for nuclear power plants, sales of nuclear applications should increase sharply in 2011.

In **Petrochemicals**, sales showed an improvement during the course of the year to reach €357 million for the 2010 financial year, a fall of just 2% compared to the previous year. The Middle East was particularly dynamic as a result of orders for major new petrochemicals projects. The market is in a good position today, with several large projects underway in the Middle East, Asia Pacific and North America.

For the full year 2010, **Energy** sales totalled €3,492 million, representing 78% of total Group sales.

For the full financial year sales in **Non-energy** sectors reached €1billion, an increase of 42% compared to 2009. The global market for industrial equipment picked up considerably in 2010. All of the Group's non-energy activities have recovered at a very good pace in comparison to 2009: +28% for mechanical engineering applications, +61% for the automotive sector and +45% for construction and other markets. In Europe, Germany was particularly dynamic, followed by countries in Northern Europe, with strong sales growth in the automotive and mechanical engineering sectors. Sales rose in all non-energy sectors in Brazil in 2010.

## Earnings and financial situation

**EBITDA** reached €925 million in 2010, a fall of 5.7% compared to 2009 (€981 million), which corresponds to an EBITDA/sales ratio of 20.6%, compared to 22% in 2009. The Cap Ten cost reduction plan set up at the beginning of 2008 has enabled the Group to achieve recurring cost savings of €280 million before inflation within three years, which is above the original target of €200 million.

Net profit reached €453 million in 2010, against €537 million in 2009. Net profit attributable to owners of the Company totalled €410 million, a fall of 21% year-on-year (€518 million in 2009).

Cash flow from operating activities reached €708 million in 2010 against €766 million in 2009, reflecting the year-on-year decline in EBITDA. The working capital requirement rose by €268 million in 2010 as a result of the recovery in activity from the second quarter. In 2009 it had been reduced by €845 million. In total, **cash flow** generated by the business reached €440 million in 2010 compared to €1,611 million in 2009.

During the year the Group's capital expenditure amounted to €873 million, up 29% from €677 million in 2009. €407 million of this comprises expenditure in relation to the construction of the integrated site of Vallourec & Sumitomo Tubos do Brasil (VSB), but also other strategic investments, notably in the United States and China, as well as in the nuclear segment in France. Financial investments (€161 million) mainly comprise the acquisition of Serimax for €145 million, which was finalized in the second quarter.

The Group's cash position changed from a **net cash** position of €407 million at 31 December 2009 to net debt of €381 million at 31 December 2010, with equity reaching €4,824 million. At 31 December 2010, Group cash was €433 million higher than overdrafts and other short-term borrowings. Out of total bank loans and other borrowings of €1,035 million, 48% have a maturity in excess of two years.



## FIVE-YEAR FINANCIAL SUMMARY

In €	2006	2007	2008	2009	2010
<b>CAPITAL</b>					
Share capital	212,047,480	212,154,880	215,154,864	229,123,156	235,888,164
Number of ordinary shares in issue	53,011,870	53,038,720	53,788,716	57,280,789	117,944,082
Number of preference dividend shares (without voting rights) in issue	-	-	-	-	-
Maximum number of new shares to be issued:	-	-	-	-	-
• by conversion of bonds	-	-	-	-	-
• by exercise of subscription rights	30,660	147,308	212,100	500,000	1,511,800
• by bond redemptions	-	-	-	-	-
<b>OPERATIONS AND RESULTS FOR THE FINANCIAL YEAR</b>					
Sales excluding taxes	-	-	4,093,551	108,188	3,938,925
Profit (loss) before tax, employee profit sharing, depreciation and amortization, and provisions	158,527,985	533,143,895	715,270,552	413,810,495	505,369,693
Income tax	- 13,234,248	- 21,998,166	- 15,892,775	- 11,559,643	-15,030,745
Employee profit sharing for the financial year	-	-	-	-	-
Profit (loss) after tax, employee profit sharing, depreciation and amortization, and provisions	172,068,021	553,894,374	730,835,635	427,376,831	515,485,566
<b>Dividends distributed</b>	<b>318,071,220</b>	<b>583,425,920</b>	<b>322,732,296</b>	<b>200,482,762</b>	<b>153,327,307</b>
<b>PER SHARE DATA</b>					
Profit (loss) after tax and employee profit sharing, but before depreciation and amortization, and provisions	3.24	10.47	13.59	7.43	4.41
Profit (loss) after tax, employee profit sharing, depreciation and amortization, and provisions	3.25	10.44	13.59	7.46	4.37
<b>Dividend allotted to each share(*)</b>	<b>6.00</b>	<b>11.00</b>	<b>6.00</b>	<b>3.50</b>	<b>1.30</b>
<b>Adjusted dividend per share(*)</b>	<b>3.00</b>	<b>5.50</b>	<b>3.00</b>	<b>1.75</b>	<b>1.30</b>
<b>EMPLOYEES</b>					
Average number of employees during the financial year	5	4	7	7	6
Payroll during the financial year	732,844	353,485	1,633,803	2,566,640	3,220,974
Payroll-related costs (social security, employee benefits, etc.)	258,138	85,419	903,538	929,471	1,746,856

(\*) The adjustment is intended to take account of the 2:1 stock split on 9 July 2010 and thereby reflect the change in the dividend amount per share based on the nominal value of the share, i.e. €2.



## SUPERVISORY BOARD REPORT

In 2010, Vallourec's activity levels recovered significantly from one of the worst economic crises in recent history. Shipped production of rolled tubes increased to 1,888,000 tonnes, up 26% compared with the previous year. Sales remained practically unchanged, however, at €4,491 million, due to lower prices for orders taken during the crisis, and a deterioration in Power Generation market conditions. The Group achieved an EBITDA of €925 million in 2010, 6% lower than in 2009, although the EBITDA margin remained above 20%. Allowing for higher financial charges due to significant expansion in production capacities, net profit attributable to owners of the Company declined by 21% year on year to €410 million.

Maintenance of this good level of profitability reflects the Group's flexibility and continuously improving productivity. Operating costs remained stable in 2010, although volumes were significantly higher. Furthermore, the Cap Ten savings plan introduced in early 2008 achieved a recurrent saving of €280 million (excluding inflation) after three years, exceeding the original target of €200 million.

The Group's activities generated cash flow of €440 million in 2010, compared with €1,611 million in 2009; this decrease was due to the increased cash flow requirement associated with the recovery in volumes and the ongoing implementation of a series of major strategic investments (totalling €900 million). Vallourec chose to maintain investment at a high level following the crisis in order to meet customers' requirements and increase operating efficiency. In 2010, the main capital investments related to the construction of the Vallourec & Sumitomo Tubos do Brasil (VSB) integrated plant, the start of construction work for the new rolling mill in the United States, the expansion in production capacity for nuclear applications in France, and increased tube finishing capacities in China.

Even with the Group's major strategic projects, well underway Vallourec remains in a strong financial situation: debt gearing was a modest 9% and the Group's cash position was strengthened by the recent renewal of lines of credit totalling €1 billion.

The Supervisory Board wishes to thank the Management Board and all Vallourec employees for their hard work and for the results achieved in 2010.

The Supervisory Board, which met seven times in 2010, ensured that it was regularly informed of the performance and activities of the Company and the Group, in accordance with statutory requirements and the Company's internal regulations. As part of its supervisory duties, it carried out the verifications and checks it considered necessary and took particular care to ensure that its structure was such as to facilitate good corporate governance. It received the reports of the Chairmen of the Board's Committees (Finance and Audit Committee, Appointments, Remuneration and Governance Committee, and Strategy Committee) on all matters dealt with by these Committees.

The Supervisory Board has examined the Management Board's management report and the statutory and consolidated financial statements for the year ended 31 December 2010 as well as the various documents attached thereto, on which it does not have any specific comments.

The Board has also approved the report of the Chairman of the Supervisory Board on the conditions governing the preparation and organization of the Supervisory Board's work and the internal control and risk management procedures implemented by the Company.

The resolutions presented to you by the Management Board have been discussed and approved by the Supervisory Board.

As regards the ordinary resolutions:

- As regards the composition of the Supervisory Board, you are asked to approve the provisional appointment to the Board, on 13 December 2010, of Mrs Pascale Chargrassé, who will represent the interests of employee shareholders, and to renew for a period of four years her term of office, which will expire at the Shareholders' Meeting scheduled on 7 June 2011. You are asked to renew the terms of office as Supervisory Board members of Mr Jean-Paul Parayre and Mr Patrick Boissier, for a period of two years and four years, respectively.

You are also asked to appoint Mrs Anne-Marie Idrac to the Board for a four-year term.

Mrs Pascale Chargrassé, a Vallourec Group employee, and Mr Jean-Paul Parayre, who has been a member of the Supervisory Board for more than 12 years, are not considered to be independent on the basis of the criteria defined in the AFEP-MEDEF Corporate Governance Code.

Mr Patrick Boissier and Mrs Anne-Marie Idrac, on the other hand, are considered to be independent on the basis of the AFEP-MEDEF criteria.

To enable the Supervisory Board to continue to benefit from the expertise and experience of Mr François Henrot who was a Supervisory Board member from 1999 to 2010, you are asked to appoint Mr Henrot as a Censeur (non-voting member) of the Supervisory Board for a period of four years.

- In addition, the dividend for the year ended 31 December 2010 has been set at €1.30 per share; each Company shareholder may choose to receive payment of the dividend in cash or in shares, in accordance with the statutory and regulatory provisions. This dividend corresponds to a payout ratio of 37.3% of consolidated net profit attributable to owners of the Company in 2010. The average payout ratio for the last five years is 33.8%.

Note that a 2:1 stock split was carried out in accordance with *resolution 12*, as approved at the Shareholders' Meeting of 31 May 2010.

- Finally, you are also asked to renew the authorization granted to the Management Board to buy Vallourec shares in the context of a share buyback programme, on similar terms and conditions to those in 2010. It is stipulated, however, that this authorization shall not apply in the event that the Company is subject to a takeover bid.



As regards the extraordinary resolutions, which can only be applied with the agreement of the Supervisory Board:

- ▶ You are asked, in *resolutions 12 to 21*, to authorize the Management Board to increase the Group's share capital, with or without preferential subscription rights, or to issue debt securities. Together, the aforementioned financial authorizations would give the Management Board the necessary flexibility and responsiveness to proceed with any issues that may be necessary in order to implement the Group's projects and to select the most appropriate financing solutions in the light of prevailing market conditions.
- ▶ The purpose of *resolutions 22 to 26* is to enable the Management Board to pursue the policy of sharing the Group's earnings with employees. *Resolutions 22 to 25* would authorize the Management Board to make an employee

shareholder offer at Group level, in France and other countries, similar to those already carried out in 2008, 2009 and 2010. Such an offer would enable employees, if they so choose, to take a greater interest in the Group's growth. As part of this policy, you are also asked, via *resolution 26*, to authorize the distribution of performance shares to Group employees and Corporate Officers, as an incentive to employees and to encourage loyalty.

- ▶ You are also asked to modify the Company's by-laws in order to introduce a fixed term of four years for the mandates of Supervisory Board members, as well as a duty to appoint a Supervisory Board member to represent the interests of employee shareholders.

We invite you to approve all the resolutions proposed to you.

The Supervisory Board,  
represented by its Chairman,  
Mr Jean-Paul Parayre



# PRESENTATION OF THE DRAFT RESOLUTIONS

To the Shareholders,

The Management Board of Vallourec (hereinafter referred to as “Vallourec” or the “Company”) has convened this Ordinary and Extraordinary Shareholders’ Meeting to submit for your approval the draft resolutions, the purpose of which is:

- the approval of Vallourec’s statutory and consolidated financial statements for the year ended 31 December 2010, the allocation of the net profit and the option to receive payment of the dividend in shares (*first to fourth resolutions*);
- the composition of the Supervisory Board (*fifth to tenth resolutions*);
- the renewal of the delegations of authority relating to the own share buyback programme and the cancellation of shares acquired under the terms of said programme (*eleventh and twenty-seventh resolutions*);
- the renewal of the delegations of authority given to the Management Board with a view to increasing the share capital (*twelfth to twentieth resolutions*);
- the renewal of the delegation of authority given to the Management Board with a view to the issuing of securities granting the right to be allocated debt securities and not resulting in an increase in the Company’s share capital (*twenty-first resolution*);
- the renewal of the delegations of authority given to the Management Board with a view to implementing an employee share ownership offering (*twenty-second to twenty-fifth resolutions*);
- the renewal of the authorisation given to the Management Board with a view to allocating performance shares to the Group’s employees and Corporate Officers (*twenty-sixth resolution*);
- amendments to the by-laws relating to the term of office of Supervisory Board members and the mandatory representation of employee shareholders on the Supervisory Board (*twenty-eighth and twenty-ninth resolutions*);
- powers for formalities (*thirtieth resolution*).

## I. Resolutions within the remit of the Ordinary Shareholders’ Meeting

### a. Approval of Vallourec’s statutory and consolidated financial statements for the 2010 financial year and allocation of net profit (*first to fourth resolutions*)

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- The **first resolution** relates to the approval of Vallourec’s statutory financial statements for the financial year ended 31 December 2010 showing profits of €515,485,565.85 compared with profits of €427,376,830.66 in respect of the preceding financial year.
- The **second resolution** relates to the approval of Vallourec’s consolidated financial statements for the financial year ended 31 December 2010 showing net profit attributable to the owners of the Company of €452,835,000 compared with €536,478,000 in respect of the preceding financial year.
- The **third resolution** relates to the allocation of the net profit. It is proposed that the dividend for the financial year 2010 be set at €1.30 per share, representing a total dividend of €153,327,306.60.

In accordance with Article 243 *bis* of the French General Tax Code (*Code général des impôts*), it is specified that this dividend is eligible, when it is paid to shareholders who are individuals residing in France for tax purposes, for a 40% reduction provided for by Section 2 of Article 158-3 of the same Code. In accordance with Article 117 *quater* of the French *Code général des impôts*, shareholders may nevertheless, subject to certain conditions and instead of the progressive income tax rate scale, opt for a flat-rate withholding tax at the rate of 19%; the dividend is then no longer eligible for the 40% reduction. Shareholders are reminded that, in these two cases, under certain conditions, the social security contributions relating to these dividends are withheld at source.



In accordance with the provisions of Article 243 *bis* of the French *Code général des impôts*, details are provided in the following table of the amounts of the dividends paid, the income distributed that was eligible for the 40% reduction and the income distributed

that was not eligible for said reduction during the three preceding financial years. The figures take into account the 2:1 stock split on 9 July 2010:

	Financial year 2007	Financial year 2008	Financial year 2009
Dividend per share	€5.50	€3	€1.75
Amount of income distributed eligible for 40% reduction	€5.50 <sup>(1)</sup>	€3 <sup>(2)</sup>	€1.75 <sup>(3)</sup>
Amount of income distributed not eligible for 40% reduction	0	0	0

(1) Including an interim dividend of €2 per share distributed on 4 July 2007.

(2) Shareholders are reminded that the Ordinary and Extraordinary Shareholders' Meeting of 4 June 2009 granted each of the Company's shareholders the option to receive payment of the dividend either in cash or in shares, in accordance with the statutory and regulatory provisions.

(3) Shareholders are reminded that the Ordinary and Extraordinary Shareholders' Meeting of 31 May 2010 granted each of the Company's shareholders the option to receive payment of the dividend either in cash or in shares, in accordance with the statutory and regulatory provisions.

The ex-dividend date for the dividend will be 16 June 2011 and the payment date 7 July 2011.

The **fourth resolution** relates to the granting of an option to all of the Company's shareholders to receive payment of the net dividend due to them in new shares, in accordance with the statutory and regulatory provisions.

To this end, each shareholder may opt for the payment of the dividend in shares between 16 June 2011 and 28 June 2011 inclusive by sending a request to the paying institutions. If the option is not exercised by the end of this time limit, the dividend may only be paid in cash.

The dividend will be paid in cash and, for those shareholders who opt for payment of the dividend in shares, the new shares will be delivered on 7 July 2011. The shares delivered in payment of the dividend will bear dividends as from 1 January 2011.

In the event of the exercise of the option for payment of the dividend in shares, the new shares will be issued at a price equal to 90% of the average opening price of the Company's shares listed on the regulated market of NYSE Euronext Paris during the 20 trading sessions prior to the date of the Shareholders' Meeting, reduced by the net amount of the dividend referred to in the *third resolution* and rounded up to the nearest cent.

If the amount of the dividends for which the option was exercised does not correspond to a whole number of shares, shareholders may:

- obtain the next higher whole number of shares by paying, on the date on which they exercise the option, the difference in cash; or
- receive the next lower whole number of shares plus the balance in cash.

## **b. Composition of the Supervisory Board (fifth to tenth resolutions)**

The **fifth to tenth resolutions** relate to the composition of the Supervisory Board.

### **1. RATIFICATION OF THE PROVISIONAL APPOINTMENT AND RENEWAL OF THE TERM OF OFFICE OF A MEMBER OF THE SUPERVISORY BOARD (FIFTH AND SIXTH RESOLUTIONS)**

At its meeting on 13 December 2010 the Supervisory Board provisionally appointed Mrs Pascale Chargrassé as a member of the Supervisory Board to represent the employee shareholders for the remainder of the term of office of Mr François Henrot, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2010. In accordance with Article L. 225-78 of the French Commercial Code (*Code de commerce*), the purpose of the **fifth resolution** is to seek your approval for the ratification of this provisional appointment.

By the **sixth resolution**, you are asked, on the recommendation of the Supervisory Board, to renew, in accordance with Article 10 paragraph 1 of the by-laws, the term of office as a member of the Supervisory Board of Mrs Pascale Chargrassé for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2014.

Given the success of the "Value 10", the Group's most recent employee share ownership offering which was implemented on 3 December 2010 and resulted in the total holding of all Group employees in the Company's share capital exceeding the 3% threshold, the Company's Supervisory Board's intention, at its meeting on 13 December 2010, was, by means of this provisional appointment, to recognize fully the commitment and confidence of employees in the Group by involving them in the Board's work.

Mrs Pascale Chargrassé joined the Group in 1985. She is a member of the Supervisory Board of the Company investment fund "Vallourec Actions" and currently works as an International Business Development Manager at Valinox Nucléaire, a wholly-owned Vallourec subsidiary. She also speaks fluent English and is a union



representative on the Group's Works Council. Given her significant commitment to the Group and her experience, Mrs Chargrassse has all the necessary credibility and skills to represent fully the employee shareholders on the Supervisory Board.

In view of the fact that she is an employee of the Group, Mrs Pascale Chargrassse cannot be classified as an independent member of the Supervisory Board under the criteria set by the AFEP-MEDEF Corporate Governance Code.

## 2. RENEWAL OF THE TERM OF OFFICE OF TWO MEMBERS OF THE SUPERVISORY BOARD (SEVENTH AND EIGHTH RESOLUTIONS)

The terms of office of Messrs Jean-Paul Parayre and Patrick Boissier as members of the Supervisory Board expire at the close of the Shareholders' Meeting of 7 June 2011.

The **seventh resolution** relates to the renewal, in accordance with Article 10 paragraph 1 of the by-laws, of the term of office as a member of the Supervisory Board of Mr Jean-Paul Parayre<sup>(1)</sup> for a period of two (2) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2012.

Since he has been performing the duties of a Supervisory Board member for more than 12 years, Mr Jean-Paul Parayre will not be classified as an independent member of the Supervisory Board under the criteria set by the AFEP-MEDEF Corporate Governance Code.

The **eighth resolution** relates to the renewal, in accordance with Article 10 paragraph 1 of the by-laws, of the term of office as a member of the Supervisory Board of Mr Patrick Boissier for a period of four (4) years, *i.e.* until the close of the Ordinary

Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2014.

Mr Patrick Boissier will be classified as an independent member of the Supervisory Board under the criteria set by the AFEP-MEDEF Corporate Governance Code.

## 3. APPOINTMENT OF A NEW MEMBER OF THE SUPERVISORY BOARD (NINTH RESOLUTION)

The **ninth resolution** relates to the appointment, in accordance with Article 10 paragraph 1 of the by-laws, of Mrs Anne-Marie Idrac as a member of the Supervisory Board for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2014.

Mrs Anne-Marie Idrac will be classified as an independent member of the Supervisory Board under the criteria set by the AFEP-MEDEF Corporate Governance Code.

## 4. APPOINTMENT OF A CENSEUR (NON-VOTING MEMBER) TO THE SUPERVISORY BOARD (TENTH RESOLUTION)

The **tenth resolution** relates to the appointment, in accordance with Article 10 bis of the by-laws, of Mr François Henrot as Censeur (non-voting member) to the Supervisory Board for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2014.

## c. Authorization to be given to the Management Board to trade in the Company's shares (eleventh resolution)

The **eleventh resolution** relates to the renewal of the authorization given to the Management Board by the Ordinary Shareholders' Meeting of 31 May 2010 to trade in the Company's shares, which will expire on 30 November 2011. Pursuant to this new authorization, the Management Board, under terms that are practically identical to those of the preceding authorization, may decide to acquire a number of the Company's shares that may not exceed 10% of the Company's share capital. This percentage will apply to the Company's capital as adjusted on the basis of transactions that may affect it after the date of this Shareholders' Meeting.

Shares may be purchased for the following purposes:

- to implement any share option plan of the Company;
- to allocate or sell the Company's shares to employees in accordance with employee profit-sharing arrangements and

to implement any company or group corporate savings (or similar) scheme, under the conditions laid down by law;

- to allocate free shares or to allocate performance shares;
- to allocate shares to employees and Corporate Officers of the Group outside France;
- to stimulate the secondary market in or liquidity of Vallourec shares through an investment services provider under the terms of a liquidity contract;
- to hold and ultimately deliver shares (in payment, exchange or otherwise) in connection with corporate acquisitions;
- to deliver shares upon the exercise of rights attached to marketable securities giving access to the Company's share capital; and
- to cancel shares.

(1) Having reached the age limit of 70 years as stipulated by the by-laws, Mr Jean-Paul Parayre may be re-elected once, for a maximum period of two years, in accordance with the provisions of Article 10 paragraph 1 of the by-laws.



These actions may be carried out on one or more occasions, by any means, on the regulated markets, by the use of multilateral trading facilities, systematic internalisers or the over-the-counter markets and, in particular, by means of the acquisition or sale of blocks of shares, the use of derivative financial instruments or warrants or, more generally, securities giving the holder the right to the Company's shares, at times that the Management Board or person to whom the Management Board has delegated

authority considers appropriate, except during periods when the Company's shares are the subject of a takeover bid.

The maximum purchase price may not exceed €140.

The maximum theoretical amount that may be allocated to the share buyback programme will be set at €1.6 billion.

This authorization will be granted for a period of eighteen months.

## II. Resolutions within the remit of the Extraordinary Shareholders' Meeting

### a. Delegations of authority to the Management Board to increase the share capital (*twelfth to twentieth resolutions*)

In accordance with the regulatory provisions relating to capital increases, the Management Board has reported to you on the Group's performance during the financial year 2010 and since the beginning of the financial year 2011, in its management report, which is included in the 2010 Registration Document filed with the French securities regulator (*Autorité des marchés financiers* – AMF) and made available to you in accordance with the statutory and regulatory provisions, including on Vallourec's website ([www.vallourec.com](http://www.vallourec.com)).

The financial authorizations granted by the Extraordinary Shareholders' Meeting of 4 June 2009 with the aim of enabling your Management Board to increase the Company's share capital will expire on 4 August 2011. The Shareholders' Meeting, to be convened on 7 June 2011, will therefore be asked to renew them

(*twelfth to twentieth resolutions*) for a period of twenty-six months from the Shareholders' Meeting, *i.e.* until 7 August 2013.

The purpose of all these financial authorizations is to give the Company a degree of flexibility by enabling the Management Board, following the prior authorization of the Supervisory Board in accordance with Article 9, paragraph 3 of the by-laws, to choose, in particular with regard to market conditions, the most appropriate means to finance the Group's development. They will cancel and replace the unused amounts of any prior delegations of authority having the same purpose.

The maximum nominal amount of increases in share capital, now and/or in the future, that may be carried out pursuant to the *twelfth to twentieth resolutions*, which are described in more detail below, may not exceed the caps shown in the following table:

	Maximum nominal amounts of capital increases (in euros)	Maximum nominal amounts of capital increases as a percentage of the share capital <sup>(1)</sup>
<b>Overall maximum cap on capital increases carried out pursuant to the <i>twelfth to twentieth resolutions</i></b>	<b>117 million<sup>(2)</sup></b>	<b>49.6%<sup>(3)</sup></b>
Capital increases with preferential subscription rights ( <i>twelfth resolution</i> )	117 million	49.6% <sup>(3)</sup>
Increase in the number of securities to be issued within the 15% limit on the amount of capital increases with preferential subscription rights carried out in accordance with the <i>twelfth resolution (sixteenth resolution)</i>	N/A	15% of the nominal amount of the initial issue <sup>(4)</sup>
Maximum cap on capital increases without preferential subscription rights ( <i>thirteenth to nineteenth resolutions</i> )	35 million <sup>(5)</sup>	14.8% of the share capital <sup>(3) (5)</sup>
Capital increases without preferential subscription rights by means of a public offering or offerings ( <i>thirteenth resolution</i> )	35 million <sup>(5) (6)</sup>	14.8% of the share capital <sup>(3) (5) (6)</sup>



## PRESENTATION OF THE DRAFT RESOLUTIONS

	Maximum nominal amounts of capital increases (in euros)	Maximum nominal amounts of capital increases as a percentage of the share capital <sup>(1)</sup>
Capital increases without preferential subscription rights by means of a private placement or placements ( <i>fourteenth resolution</i> )	35 million <sup>(5)</sup> <sup>(6)</sup>	14.8% of the share capital <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup>
Capital increases without preferential subscription rights, carried out in accordance with the <i>thirteenth</i> and <i>fourteenth resolutions</i> , at a price freely set by the Shareholders' Meeting ( <i>fifteenth resolution</i> )	Around 23.5 million <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup> per year, up to the limit of 35 million in 26 months	10% of the share capital per year, up to the limit of 14.8% <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup> of the share capital in 26 months
Increases in the number of securities to be issued within the 15% limit on the amount of capital increases without preferential subscription rights carried out in accordance with the <i>thirteenth</i> to <i>fifteenth resolutions</i> ( <i>sixteenth resolution</i> )	N/A	15% of the nominal amount of the initial issue <sup>(4)</sup>
Capital increases without preferential subscription rights in consideration of in-kind contributions, except in the case of a share exchange offer initiated by the Company ( <i>seventeenth resolution</i> )	Around 23.5 million <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup>	10% of the share capital <sup>(5)</sup> <sup>(6)</sup>
Capital increases without preferential subscription rights in consideration of securities contributed to a share exchange offer initiated by the Company ( <i>eighteenth resolution</i> )	35 million <sup>(5)</sup> <sup>(6)</sup>	14.8% of the share capital <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup>
Capital increases without preferential subscription rights, carried out as a result of the issue by the Company's subsidiaries of securities giving access to the Company's share capital ( <i>nineteenth resolution</i> )	35 million <sup>(5)</sup> <sup>(6)</sup>	14.8% of the share capital <sup>(3)</sup> <sup>(5)</sup> <sup>(6)</sup>
Capital increases through the capitalization of reserves, profits or additional paid-in capital ( <i>twentieth resolution</i> )	70 million <sup>(5)</sup>	29.7% of the share capital <sup>(3)</sup> <sup>(5)</sup>

(1) On the basis of the share capital at 31 December 2010, i.e. €235,888,164.

(2) The following transactions will also be deducted from this overall maximum cap: the capital increases and allocations of shares free of charge carried out under the terms of an employee share ownership offering, in accordance with the twenty-second to twenty-fifth resolutions submitted to the Shareholders' Meeting of 7 June 2011, and the allocations of performance shares carried out in accordance with the twenty-sixth resolution submitted to the Shareholders' Meeting of 7 June 2011, and the allocations of share subscription or share purchase options, carried out in accordance with the twenty-first resolution approved by the Shareholders' Meeting of 4 June 2009.

(3) By way of indication.

(4) This percentage is limited by the cap on the authorization in accordance with which the initial issue was carried out.

(5) This amount or percentage is deducted from the maximum cap on capital increases of €117 million.

(6) This amount or percentage is deducted from the maximum cap on capital increases without preferential subscription rights of €35 million.

The capital increase caps laid down in the resolutions do not take into account the nominal amount of the additional shares to be issued to protect, in accordance with the law and, where applicable, contractual provisions providing for other cases of adjustments, the rights of the holders of securities giving access to the Company's share capital.

Securities giving access to shares may consist of ordinary warrants or debt securities or be associated with the issue of such securities or facilitate their issue as intermediate securities. Such securities may also take the form of subordinated or unsubordinated securities, with a fixed term or an indefinite term.

The maximum nominal amount of debt securities which may be issued pursuant to the *twelfth* to *eighteenth resolutions* may not exceed €1.5 billion. The Management Board specifies that the maximum nominal amount of debt securities thus determined will be independent of the amount of the securities giving the holder the right to the allocation of debt securities which will be issued on the basis of the *twenty-first resolution* and the amount of the debt securities the issue of which will be decided or authorized by the Management Board in accordance with Article L. 228-40 of the French *Code de commerce*.

Capital increases resulting from all resolutions may be subscribed for in cash or by offsetting against existing debt.

All financial authorizations whose implementation would result in the issue of marketable securities giving access to the Company's

capital will entail the waiver by the shareholders of their preferential subscription rights to the ordinary shares to which the securities issued may entitle them.

When the resolutions give the Management Board the right to sub-delegate, said power is given to the Chairman of the Management Board or, with his agreement, to one of the Board members.

Within the limits of the delegations of authority proposed to your Shareholders' Meeting, the Management Board will have the powers necessary to set the terms under which securities are issued, record the completion of capital increases and amend the by-laws accordingly.

When the Management Board uses your authorizations, it will draw up, where applicable and in accordance with the law, an additional report describing the final terms and conditions of the issue decided upon. This report and that of the Statutory Auditors will be made available to you at the Company's registered office and brought to your attention at the next Shareholders' Meeting.

In asking you to grant it these delegations of authority, the Management Board is required to make clear to you the full consequences of the resolutions submitted to you for approval:

- by the **twelfth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to issue, with the retention of preferential subscription rights, ordinary shares of the Company and any securities giving



access to the share capital of the Company or any company of which it owns, directly or indirectly, more than half of the share capital, within the limit of a maximum nominal amount of capital increases of €117 million;

- by the **thirteenth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to issue, with the cancellation of preferential subscription rights, through a public offering or offerings, ordinary shares of the Company and any securities giving access to the share capital of the Company or of any company of which it owns, directly or indirectly, more than half of the share capital within the limit of a maximum nominal amount of capital increase of €35 million. In accordance with the law, the issue price of the shares which may be issued pursuant to this delegation of authority must be at least equal to the weighted average of Vallourec's share price during the last three trading sessions prior to its determination, the Management Board having the right to deduct a maximum discount of 5% from the average thus obtained;
- by the **fourteenth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to issue, with the cancellation of preferential subscription rights, through a private placement or placements, ordinary shares of the Company and any securities giving access to the share capital of the Company or of any company of which it owns, directly or indirectly, more than half of the share capital, within the limit of a maximum nominal amount of capital increase of €35 million and, in all circumstances, within the limits specified by the regulations applicable on the issue date (currently, 20% of the share capital per year). The purpose of this resolution is to comply with a recommendation of the French securities regulator (*Autorité des Marchés Financiers* – AMF) dated July 2009 under the terms of which the AMF invites issuers to present to the Shareholders' Meeting a separate resolution from that relating to the capital increase, by means of a public offering or offerings (purpose of the *thirteenth resolution* submitted to the Shareholders' Meeting), when the Management Board asks the Shareholders' Meeting to delegate to it the authority to increase the share capital by means of a private placement or placements. In line with the *thirteenth resolution*, the issue price of the shares which may be issued pursuant to this delegation of authority must, in accordance with the law, be at least equal to the weighted average of Vallourec's share price during the last three trading sessions prior to its determination, the Management Board having the right to deduct a maximum discount of 5% from the average thus obtained;
- by the **fifteenth resolution**, the Management Board asks the Shareholders' Meeting to authorize it to decide to issue shares and/or securities, with the cancellation of preferential subscription rights, as decided under the terms of the *thirteenth* and/or *fourteenth resolutions*, within the limit of 10% of the capital per year, at the most favourable price given market conditions at the time of the offering. The Shareholders' Meeting is asked to set an issue price that may not be lower than, at the Management Board's discretion, either, (i) the average price per share, weighted by volume, during the trading session preceding the pricing of the issue or (ii) the average price per share, weighted by volume, set during the trading session when the issue price is determined, in each case potentially reduced by a discount of up to a maximum of 5%;
- by the **sixteenth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide, in the event of a capital increase or increases with the retention or cancellation of preferential subscription rights, carried out pursuant to the *twelfth* to *fifteenth resolutions*, to increase the number of securities to be issued where the Management Board acknowledges excessive subscription demand, in particular with a view to granting an over-allocation option in accordance with market practices. The maximum number of securities that may be issued in the event of excessive demand, within 30 days following the closing of the subscription and at the same price as that used for the initial issue, may not exceed, in accordance with the provisions of Articles L. 225-135-1 and R.225-118 of the French *Code de commerce*, 15% of the initial issue;
- by the **seventeenth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to issue ordinary shares and/or securities giving access to the Company's share capital, with the cancellation of preferential subscription rights, in consideration of in-kind contributions made to the Company which consist of equity securities or securities giving access to the share capital of other companies. The maximum nominal amount of the share capital that may be issued pursuant to this resolution is 10% of the share capital;
- by the **eighteenth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to issue ordinary shares and/or securities giving access to the Company's share capital, with the cancellation of preferential subscription rights, in consideration of securities contributed to a share exchange offer initiated by the Company, in France or abroad, on the securities of another company admitted for listing on one of the regulated markets covered by Article L. 225-148 of the French *Code de commerce*. The maximum nominal amount of the share capital that may be issued pursuant to this resolution may not exceed €35 million;
- by the **nineteenth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to issue ordinary shares of the Company subsequent to the issue, by the Company's subsidiaries, of securities giving access to the Company's ordinary shares, within the limit of a maximum nominal amount which may not exceed €35 million. The issue of such securities will be authorized by the extraordinary shareholders' meeting of the subsidiary concerned and the issue of the Company's shares to which said securities will entitle their holders will be decided on at the same time by your Management Board on the basis of the *nineteenth resolution*;
- by the **twentieth resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority to decide to increase the share capital by capitalizing additional paid-in capital, reserves, profits or other amounts whose capitalization is admissible under the law or the Company's by-laws, within the limit of a maximum nominal amount of €70 million. The capital increase may be carried out either by the free allocation of the new equity securities or by raising the par value of the existing equity securities or by the joint use of both these procedures.



## b. Issue of securities with rights to debt securities which do not increase the capital of the Company (*twenty-first resolution*)

By the **twenty-first resolution**, the Management Board asks the Shareholders' Meeting to delegate to it the authority, for a period of twenty-six months, to decide to issue any securities which give

the holder the right to the allocation of debt securities that do not increase the Company's capital, such as bonds with bond warrants, within the limit of a nominal amount of €1.5 billion.

## c. Employee share ownership (*twenty-second to twenty-fifth resolutions*)

Four resolutions are submitted to you for approval, the purpose of which is to enable your Management Board to offer Group employees in France and abroad (and those with similar rights) the opportunity to subscribe for or acquire shares or marketable securities giving access to the Company's share capital on preferential terms, to involve them more closely in the Company's development. For the purpose of this section, the "Group" means Vallourec and the companies included in its accounting consolidation scope in accordance with the provisions of Article L. 233-16 of the French *Code de commerce*.

Each of these resolutions, which will entail the cancellation of shareholders' preferential subscription rights, is the subject of a special report by the Statutory Auditors.

These resolutions are very close in their formulation to the corresponding resolutions approved by the Shareholders' Meeting of 4 June 2009 which they will replace.

The *twenty-second to twenty-fourth resolutions* are intended to be used in particular (but not exclusively) for the implementation of one or more standard and/or leveraged employee share ownership plans enabling participants to benefit, for each share financed by them and/or by their employer's contribution, from a guarantee for the initial investment and a percentage of any increase that may offer up to ten shares. The *twenty-second resolution* also complies with the requirements of Article L. 225-129-6 of the French *Code de commerce*.

The *twenty-third to twenty-fifth resolutions* are ancillary resolutions to the *twenty-second resolution* and may only be used for the requirements of an employee share ownership offering resulting, in addition, in the use of the *twenty-second resolution*.

The Management Board will have all powers, including the right to sub-delegate in accordance with the law, to implement these delegations of authority. However, in accordance with Article 9 of the Company's by-laws, issues of securities giving access, directly or indirectly, to the Company's share capital which may be carried out in the event of the use by the Management Board of the delegations of authority submitted to you for approval will be submitted to your Supervisory Board for its prior authorization.

### 1. TWENTY-SECOND TO TWENTY-FIFTH RESOLUTIONS: PURPOSE AND TERMS AND CONDITIONS

By the **twenty-second resolution**, you are asked to delegate to the Management Board your authority to increase the Company's share capital by the issue or issues of shares and/or securities giving access to the Company's share capital, reserved for members of one or more company savings schemes implemented within the Company or within a company or group of companies, in France or abroad, belonging to the Group.

The issue price of new shares or marketable securities giving access to the Company's share capital will be determined in accordance with the provisions of Articles L. 3332-19 to L. 3332-23 of the French *Code du travail* and be equal to at least 80% of the Reference Price (*i.e.* discounted by a maximum of 20%), which is equal to the average of the opening prices of the Company's shares listed on the regulated market of NYSE Euronext Paris during the 20 trading sessions prior to the date of the Management Board's decision setting the opening date of the subscription period. The Management Board may reduce or cancel the 20% discount, within the statutory and regulatory limits, if it considers such action to be advisable.

Under the terms of this delegation of authority, the Management Board may also (i) allocate free of charge to the members of a company savings scheme, in addition to the shares or securities giving access to the Company's share capital to be subscribed for in cash, shares or securities giving access to the Company's share capital, whether already existing or to be issued, by way of substitution for all or part of the discount on the Reference Price and/or the employer's contribution and/or (ii) sell shares to members of a company savings scheme as provided for by Article L. 3332-24 of the French *Code du travail*.

In accordance with the law, this delegation of authority, the aim of which is to facilitate the carrying out of capital increases reserved for members of company savings schemes set up within the Group, will result in the waiver, by the shareholders, of their preferential subscription rights to shares and/or marketable securities giving



access to the Company's share capital to be issued to the members of company savings schemes that benefit from the capital increase, the shareholders waiving, in addition, all rights to shares and/or securities giving access to the Company's share capital, including the capitalized portion of the reserves, profits or additional paid-in capital, which will be allocated free of charge in accordance with the preceding paragraph. This delegation of authority will also entail the waiver by the shareholders of their preferential rights to subscribe to the Company's ordinary shares to which the securities issued may entitle them.

By the **twenty-third resolution**, you are asked, under the terms of the provisions of Article L. 225-138 of the French *Code de commerce*, to delegate to the Management Board the authority to increase the share capital, on one or more occasions, by the issue of ordinary shares and/or securities giving access to the Company's share capital reserved for the category of persons comprising employees and those with similar rights, within the meaning of Article L. 3332-2 of the French *Code du travail*, of companies in the Group whose registered offices are located outside France and company savings funds through which they will invest (the "Beneficiaries").

The aim of this resolution is to facilitate the implementation of a capital increase reserved for the Beneficiaries (as defined in the preceding paragraph) outside of a company savings scheme (but with an equivalent holding period). It will result in the cancellation of the shareholders' preferential subscription rights to the Company's shares and/or securities to be issued to the Beneficiaries (as defined in the preceding paragraph) of the capital increase and to the shares to which the securities issued may entitle them.

The issue price of the securities to be issued pursuant to the *twenty-third resolution* will be equal to the Reference Price adopted in the event of the use of the delegation of authority granted pursuant to the *twenty-second resolution*, reduced by a maximum discount of 20%.

In some countries, tax or legal problems or uncertainties may complicate or make uncertain the implementation of employee share ownership arrangements carried out directly or through the intermediary of a mutual investment fund. The implementation for the benefit of certain employees outside France of alternative arrangements (whether or not comprising a shareholding component) to those offered to employees of the Group's French companies who are members of a company savings scheme, implemented by one of the Group companies, may prove to be desirable. The implementation of such alternative arrangements may necessitate the carrying out of a capital increase, with the cancellation of preferential subscription rights, for the benefit of a financial institution and/or entities, whether or not incorporated as a legal entity, whose sole object is to subscribe for, hold and sell the Company's shares or other financial instruments in connection with the implementation of the offering to all or some employees outside France, and which will participate in the structuring of the transaction with the same 20% discount as that granted to other employees.

By the **twenty-fourth resolution**, you are asked, under the provisions of Article L. 225-138 of the French *Code de commerce*, to delegate to the Management Board your authority to increase the share capital, on one or more occasions, by the issue of new shares or securities giving access to the Company's share

capital reserved for the category of persons comprising (i) credit institutions involved at the Company's request in the offering to all or some of the foreign employees of alternative arrangements (whether or not comprising a shareholding component) to the share offering structured for French residents belonging to company savings schemes implemented by one of the Group companies, (ii) all entities controlled by said institutions within the meaning of Article L. 233-3 of the French *Code de commerce*, and (iii) all entities, whether or not incorporated as a legal entity, whose sole object is to subscribe for, hold and sell the Company's shares or other financial instruments in connection with the implementation of the offering to all or some of the foreign employees.

The issue price of the securities to be issued pursuant to the *twenty-fourth resolution* will be equal to the Reference Price adopted in the event of the use of the delegation of authority granted pursuant to the *twenty-second resolution*, reduced by a maximum discount of 20%.

This delegation of authority will result in the cancellation of the shareholders' preferential subscription rights to the Company's shares and/or securities to be issued to the aforementioned category of beneficiaries. The cancellation of preferential subscription rights is justified by the reasons referred to in the first paragraph above.

By the **twenty-fifth resolution**, it is proposed, under the terms of the provisions of Articles L. 225-197-1 *et seq.* of the French *Code de commerce*, that the Management Board be authorized, within the limit of 0.3% of the share capital, to allocate shares, whether already existing or to be issued (excluding preference shares), to subscribers to an employee share ownership offering implemented, pursuant to the *twenty-second* and/or *twenty-third resolution(s)* detailed above, within companies or groupings that are associated with the Company under the terms specified by Article L. 225-197-2 of said Code and whose registered offices are located outside France, or to certain categories of them, under the conditions defined below.

The aim of this resolution is to enable the Management Board to allocate shares to subscribers to an employee share ownership offering of Group companies whose registered offices are located outside France instead of the contribution granted to employees and those with similar rights of the Group's French companies. The desired objective is to give a benefit close to that awarded to employees and those with similar rights of the Group's French companies. In countries in which this solution is adopted, the aim will be for the shares to benefit all participants of the employee share ownership offering (subject, where applicable, to the requirement for a minimum level of investment).

The allocation of these shares to their beneficiaries will not become final until the end of a minimum acquisition period of four years (excluding disability and death) and beneficiaries will not be required to comply with any holding period. However, in order to take account of the tax and legal regulations applicable in certain countries, the Management Board may depart from this rule and decide that, in the case of one or more categories of beneficiaries, the acquisition period for the shares will be at least two years, except in the case of beneficiaries suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la Sécurité sociale*, in which case the allocation of shares will become final immediately, and the beneficiaries will be subject to an obligation to retain the shares for at least two years.



In the event of the allocation of new shares, the authorization will entail, as and when the allocation of said shares becomes final, a capital increase by capitalizing reserves, profits or additional paid-in capital in favour of the beneficiaries of said shares and the shareholders' consequential waiver in favour of the beneficiaries of said shares of their preferential subscription rights over said shares and of the portion of the reserves, profits or additional paid-in capital which will be capitalized in respect of this allocation.

The *twenty-fifth resolution* may only be used for the purpose of an employee share ownership offering, carried out pursuant to delegations of authority granted under the terms of the *twenty-second* and/or *twenty-third resolutions*.

## 2. CAPITAL INCREASE CAPS APPLICABLE TO THE TWENTY-SECOND TO TWENTY-FIFTH RESOLUTIONS

A double cap will apply to the *twenty-second*, *twenty-third* and *twenty-fourth resolutions*:

- an individual cap of a maximum nominal amount of €9,400,000, to which, where applicable, in the event of the issue of securities giving access to the Company's share capital, will be added the nominal amount of the ordinary shares to be issued to protect, in accordance with the law and, where applicable, the contractual stipulations providing for other cases of adjustment, the rights of the holders of securities giving access to the Company's share capital;
- an overall cap of a maximum nominal amount of €9,400,000, such that the overall maximum nominal amount of capital increases that may be carried out, now or in the future, pursuant to the delegations of authority granted under the terms of these three resolutions will be capped at €9,400,000, *i.e.*, as an indication, approximately 4% of the statutory share capital at 31 December 2010, to which, where applicable, in the event of the issue of securities giving access to the Company's share capital, will be added the nominal amount of the ordinary shares to be issued to protect, in accordance with the law and, where applicable, the contractual stipulations providing for other cases of adjustment, the rights of the holders of securities giving access to the Company's share capital.

The shares, whether already existing or to be issued, that were allocated pursuant to the *twenty-fifth resolution* may not represent more than 0.3% of the share capital on the date the Management Board decided to make the allocation, increased, where applicable, by the number of shares allocated in respect of adjustments intended to protect the rights of the beneficiaries of the allocations of shares free of charge in the event of transactions involving the Company's capital or equity.

The nominal amount of capital increases that may be carried out now or in the future pursuant to the *twenty-second*, *twenty-third*, *twenty-fourth* and *twenty-fifth resolutions* will be deducted from the overall cap for capital increases of €117 million provided for by the *twelfth resolution* submitted to this Shareholders' Meeting, or, where applicable, the overall cap provided for by any resolution of a similar nature that may supersede said resolution during the period of validity of the resolutions.

## 3. DURATION OF DELEGATIONS OF AUTHORITY GRANTED IN RESPECT OF THE TWENTY-SECOND TO TWENTY-FIFTH RESOLUTIONS

The delegations of authority provided for by the *twenty-second* and *twenty-fifth resolutions* will be granted for a period of 26 months as from the date of the Shareholders' Meeting, *i.e.* until 7 August 2013 and those provided for by the *twenty-third* and *twenty-fourth resolutions* will be granted for a period of 18 months as from the date of the Shareholders' Meeting, *i.e.* until 7 December 2012.

The approval of the *twenty-second*, *twenty-third*, *twenty-fourth* and *twenty-fifth resolutions* will render null and void, as from the date of the Shareholders' Meeting, where applicable, the part not yet used of former delegations of authority granted to the Management Board by the Ordinary and Extraordinary Shareholders' Meeting of 4 June 2009 under the terms of the *seventeenth*, *eighteenth*, *nineteenth* and *twentieth resolutions* respectively.

None of the four resolutions may be adopted independently of the others.

## d. Allocation of performance shares (*twenty-sixth resolution*)

With a view to pursuing its policy of increasing the loyalty and motivation of the Company's key staff, the Management Board asks the Shareholders' Meeting, by the **twenty-sixth resolution**, to renew the authorization given by the Shareholders' Meeting of 4 June 2008 (*sixteenth resolution*) to carry out, under the terms of the provisions of Articles L. 225-197-1 *et seq.* of the French *Code de commerce*, on one or more occasions, to allocate the Company's ordinary shares, whether already existing or to

be issued, to beneficiaries that it will determine from amongst the employees, or certain categories of them, of the Company or of companies or groupings that are affiliated to it under the terms specified by Article L. 225-197-2 of said Code as well as Corporate Officers, or certain categories of them, of the Company or of companies or groupings that are associated with it under the terms specified by Article L. 225-197-1, II of said Code.



The existing shares or shares to be issued pursuant to this authorization may not represent more than 1% of the Company's share capital on the date of the Management Board's decision to make the allocation, *i.e.*, as an indication, 1,179,440 shares representing a nominal amount of €2,358,880 on the basis of the share capital at 31 December 2010, it being specified that this nominal amount may be increased by the number of shares allocated in respect of adjustments intended to protect the rights of beneficiaries of allocations of shares in the event of transactions involving the Company's capital or equity.

The shares allocated pursuant to the *twenty-sixth resolution* will be deducted from the share purchase or share subscription option cap provided for by the *twenty-first resolution* adopted by the Shareholders' Meeting of 4 June 2009 or, where applicable, the cap provided for by a resolution of a similar nature that may supersede said resolution during the period of validity of this delegation of authority. The nominal amount of capital increases that may be carried out, now or in the future, pursuant to this delegation of authority will be deducted from the overall cap provided for by paragraph 2. of the *twelfth resolution* submitted to the Shareholders' Meeting of 7 June 2011 or, where applicable, the cap provided for by a resolution of a similar nature that may supersede said resolution during the period of validity of this delegation of authority.

The beneficiaries shall not finally acquire their performance shares until the end of a minimum period of two years following the Management Board's decision to make the allocation, except in the event of the beneficiary suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la sécurité sociale*, in which case the shares shall be acquired immediately. The period during which the beneficiaries will be obliged to retain the Company's shares will be a minimum of two years as from the acquisition of said shares, except in the case of the beneficiaries suffering from a type of disability corresponding to the aforementioned categories of the French *Code de la sécurité sociale*, in which case the shares may be sold immediately.

However, to take into account the legal and tax regulations applicable in certain countries, the Management Board may depart from this rule and decide (i) that the beneficiaries shall finally acquire their shares at the end of a minimum period of four years following the Management Board's decision to make the allocation, except in the case of the beneficiary suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la sécurité sociale*, in which case shares shall be acquired immediately, and (ii) the beneficiaries will not be required to comply with any holding period.

In addition, the Management Board may offer beneficiaries engaged in paid employment in more than one State during the first two years of the share acquisition period the opportunity of opting, before the end of a period of two years as from the allocation of the shares, (i) for an acquisition period of two years and an obligation to retain the shares for an additional two years or (ii) an acquisition period of four years with no obligation to retain the shares.

The vesting of the performance shares will be conditional upon the Group's performance assessed over two consecutive financial years and the requirement that beneficiaries continue to be employed within the Group for a minimum of two years as from the date the performance shares are allocated<sup>(1)</sup>.

The existing shares or shares newly allocated pursuant to this authorization may be allocated to Management Board members under the following conditions:

- the vesting of the performance shares will be conditional on the member continuing to be employed within the Group for two years as from the allocation date and meeting the quantified performance criteria;
- performance will be assessed over two consecutive financial years and measured on the basis of the following three quantified criteria:
  - the growth rate of consolidated sales,
  - the consolidated EBITDA/sales ratio, and
  - an economic performance criterion, which may be financial (*e.g.* share price performance or cost reduction) or societal (*e.g.* concerning environment or safety matters), laid down by the Supervisory Board and measured by a relevant index;
- the meeting of the performance criteria will determine 100% of the number of performance shares allocated.

The Company will communicate the actual performance rates achieved for each Management Board member at the end of the assessment period.

Shareholders are reminded that the *sixteenth resolution* adopted by the Shareholders' Meeting of 4 June 2008 had authorized the Management Board to allocate performance shares to the Group's employees and Corporate Officers within the limit of 1% of the share capital on the date of the Management Board's decision to make the allocation.

The following table shows the performance shares allocated to each Management Board member, assuming that the maximum performance was achieved<sup>(2)</sup>, as a percentage, on the one hand, of the share capital, and, on the other hand, of the total allocation of performance shares made to all Group employees during the last three financial years, on the basis of this authorization:

(1) As an indication, the criterion used for 2011 was the consolidated EBITDA/sales ratio.

(2) See below for actual rate achieved.



Allocations of performance shares to Management Board members on the basis of the *sixteenth resolution* adopted by the Shareholders' Meeting of 4 June 2008

	2009		2010		2011		Total of 2009, 2010 and 2011 plans	
	% of allocation	% of capital	% of allocation	% of capital	% of allocation	% of capital	% of allocation	% of capital
Philippe Crouzet	8%	0.01%	4.6%	0.01%	4.4%	0.01%	5.3%	0.03%
Jean-Pierre Michel	3.751%	0.005%	2.258%	0.004%	2.154%	0.005%	2.573%	0.013%
Olivier Mallet	3.349%	0.004%	1.848%	0.003%	1.752%	0.004%	2.168%	0.011%
<b>TOTAL</b>	<b>15.14%</b>	<b>0.019%</b>	<b>8.73%</b>	<b>0.014%</b>	<b>8.29%</b>	<b>0.019%</b>	<b>10.08%</b>	<b>0.053%</b>

The members of the Management Board at 31 December 2010 benefitted from performance shares under the terms of the plans implemented in 2007, 2008 and 2009 whose performance assessment period has expired. In the case of all these plans, performance was measured by applying a performance criterion based on the consolidated EBITDA margin achieved by the Group over one or more years.

The following table shows, for these performance share plans, the maximum number of performance shares allocated to those employees who were members of the Management Board at 31 December 2010, and the number of performance shares acquired by them in accordance with the performance criteria.

Performance shares allocated to Management Board members	2007	2008	2009	Total
Maximum number of performance shares allocated to Management Board members	1,064	2,660	22,600	26,324
Number of performance shares accruing to Management Board members in accordance with the performance criteria	872	1,576	18,321	20,769
Percentage of performance shares acquired as a percentage of the maximum number of performance shares allocated	82%	59%	81%	79%

In accordance with statutory and regulatory provisions, the recommendations of the AFEP-MEDEF Code and the Supervisory Board decision of 31 July 2007, Management Board members will be required to retain until the expiry of their terms of office one-quarter of the performance shares acquired under a plan and will formally undertake not to use hedging instruments in respect of the sale of their performance shares.

In the event of the allocation of new shares, this authorization will entail, as and when the allocation of said shares is finalized, a capital increase by capitalizing reserves, profits or additional paid-in capital in favour of the beneficiaries of said shares and the shareholders' consequential waiver, in favour of the beneficiaries, of their preferential subscription rights over said shares and of the portion of the reserves, profits or additional paid-in capital which will be capitalized in respect of this allocation.

The purpose of this authorization is different from that of the authorization which is the subject of the *twenty-fifth resolution* submitted to this Shareholders' Meeting, in that the adoption of this resolution would have no effect on the *twenty-fifth resolution* submitted to this Shareholders' Meeting and, subject to their adoption, the *twenty-fifth* and *twenty-sixth resolutions* submitted to this Shareholders' Meeting will coexist, each being in force independently of the other until its expiry or replacement.

It will be granted for a period of 38 months as from the date of the Shareholders' Meeting, i.e. until 7 August 2014 and will render null and void, as from the date of the Shareholders' Meeting, where applicable, the unused portion of the authorization of the same nature granted to the Management Board by the Ordinary and Extraordinary Shareholders' Meeting of 4 June 2008, under the terms of the *sixteenth resolution*.



## e. Authorization for the Management Board to reduce the share capital by cancelling own shares (*twenty-seventh resolution*)

By the **twenty-seventh resolution**, the Management Board asks your Shareholders' Meeting for an authorization, for a period of twenty-six months, to reduce the Company's share capital, by cancelling any quantity of shares which it will determine, acquired

under the terms of any authorization given by the Ordinary Shareholders' Meeting in accordance with Article L. 225-209 of the French *Code de commerce*, within the limit of 10% of the Company's share capital for each 24-month period.

## f. Amendments to the by-laws relating to the term of office of Supervisory Board members and the mandatory representation of employee shareholders on the Supervisory Board (*twenty-eighth and twenty-ninth resolutions*)

By the **twenty-eighth** and **twenty-ninth resolutions**, the Management Board asks your Shareholders' Meeting to make two amendments to Article 10 "Supervisory Board", paragraph 1, "Composition".

The purpose of the first amendment, proposed in connection with the *twenty-eighth resolution*, is to set a fixed term of office for Supervisory Board members instead of a maximum term. This fixed term will be four (4) years, in accordance with the AFEP-MEDEF Corporate Governance Code and, as an exception, in the case of Supervisory Board members who are over 70 years old, two (2) years.

The purpose of the second amendment to the by-laws, proposed in connection with the *twenty-ninth resolution*, will be to provide for the appointment of a Supervisory Board member to represent the Company's employee shareholders. The Supervisory Board member representing the employee shareholders may only be appointed, on the recommendation of the Supervisory Board, from among the members of the Supervisory Board or Boards of

a company savings fund or funds, governed by Article L. 214-40 of the French *Code monétaire et financier*, representing the employees. The Supervisory Board member representing the employee shareholders will be subject to all the statutory and regulatory provisions applicable to Supervisory Board members. However, his term of office will expire automatically and the Supervisory Board member representing the employee shareholders will be deemed to have resigned in the event that he ceases to be (i) an employee of the Company or a company or economic interest group associated with it within the meaning of Article L. 225-180 of the French *Code de commerce* or (ii) a member of the Supervisory Board of a company mutual investment fund, governed by Article L. 214-40 of the French *Code monétaire et financier*, representing the employee shareholders or (iii) a holder of units in a company mutual investment fund governed by Article L. 214-40 of the French *Code monétaire et financier*. Until the date of his replacement, the Supervisory Board may meet and deliberate validly.



## PRESENTATION OF THE DRAFT RESOLUTIONS

As a result of the two amendments to the by-laws proposed above, Article 10 “Supervisory Board”, paragraph 1 “Composition” will be amended as shown in the following table, which compares the existing Article 10 with Article 10 following the proposed amendments:

Article 10 Supervisory Board	Article 10 Supervisory Board
<p><b>1. Composition</b> The Supervisory Board shall consist of at least three and no more than 12 members. The term of office of members of the Supervisory Board may not exceed six years. They shall be eligible for re-election.</p>	<p style="text-align: center;"><b>Amendment resulting from the <i>twenty-eighth</i> resolution</b></p> <hr/> <p><b>1. Composition</b> The Supervisory Board shall consist of at least three and no more than 12 members. The term of office of members of the Supervisory Board is four years. They shall be eligible for re-election.</p>
<p>Each member of the Supervisory Board must hold at least 50 registered shares. Throughout a Supervisory Board member's term of office, these shares shall be registered in a pure registered shares account or an administered shares account.</p>	<p style="text-align: center;"><b>Amendment resulting from the <i>twenty-ninth</i> resolution</b></p> <hr/> <p>The members of the Supervisory Board shall be appointed, and their terms of office renewed, by the Ordinary Shareholders' Meeting. One of the members of the Supervisory Board shall be appointed, on the recommendation of the Supervisory Board, from among the members of the Supervisory Board or Boards of a company savings fund or funds, governed by Article L. 214-40 of the French Code monétaire et financier, representing the employee shareholders. The said member shall be subject to all statutory and regulatory provisions applicable to the members of the Supervisory Board. However, his term of office shall expire automatically and the member of the Supervisory Board representing the employee shareholders shall be deemed to have resigned in the event that he ceases to be (i) an employee of the Company or a company or economic interest group associated with it within the meaning of Article L. 225-180 of the French <i>Code de commerce</i> or (ii) a member of the Supervisory Board of a company mutual investment fund, governed by Article L. 214-40 of the French <i>Code monétaire et financier</i>, representing the employee shareholders or (iii) a holder of units in a company mutual investment fund governed by Article L. 214-40 of the French <i>Code monétaire et financier</i>. Until the date of his replacement, the Supervisory Board shall be able to meet and deliberate validly.</p> <hr/> <p>[Paragraph unchanged]</p>
<p>When a member of the Supervisory Board passes the age of 70, he shall remain a member of the Board until the normal expiry of his term of office. He may then be re-elected once, for a maximum term of two years. The application of these provisions may not however result in the number of members of the Supervisory Board aged over 70 exceeding one-third of the total members of the Supervisory Board (individuals or representatives of corporate bodies).</p> <p>If the aforementioned one-third quota is exceeded, failing the voluntary resignation of a member of the Supervisory Board who is aged over 70, the oldest member of the Supervisory Board shall be automatically deemed to have resigned.</p>	<p style="text-align: center;"><b>Amendment resulting from the <i>twenty-eighth</i> resolution</b></p> <hr/> <p>When a member of the Supervisory Board passes the age of 70, he shall remain a member of the Board until the normal expiry of his term of office. He may then be re-elected once, for a term of two years. The application of these provisions may not however result in the number of members of the Supervisory Board aged over 70 exceeding one-third of the total members of the Supervisory Board (individuals or representatives of corporate bodies).</p> <hr/> <p>[Paragraph unchanged]</p>



## g. Powers for formalities (*thirtieth resolution*)

By the **thirtieth resolution**, your Management Board asks you to grant it all powers to enable it to complete all the publication and filing formalities required following this meeting.

The Management Board



# STATUTORY AUDITORS' REPORT

## RELATING TO TRANSACTIONS ON SHARE CAPITAL AS SET FORTH IN THE RESOLUTION SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING OF 7 JUNE 2011

(This is a free translation into English of the Statutory Auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.)

To the Shareholders,

In accordance with our appointment as Statutory Auditors of your Company and pursuant to the procedures set forth in the French *Code de commerce*, we hereby report to you on the capital measures on which you are asked to decide.

### 1. Issue of shares and/or securities conferring entitlement to the share capital of the Company with retention and/or waiver of preferential subscription rights (12th, 13th, 14th, 15th, 16th, 17th, 18th and 19th resolutions)

In accordance with the procedures set forth in the French Commercial Code (*Code de commerce*) and in particular Articles L. 225-135, L. 225-136 and L. 228-92 *et seq.* of this Code, we hereby report to you on the proposed delegations of authority to the Management Board to issue shares and/or securities, transactions on which you are being asked to vote.

Based on its report, your Management Board proposes that:

- You confer on it, with the option to sub-delegate such authority, for a period of 26 months, the authority to decide on the following transactions and to set the final terms and conditions of these issues and proposes that, if necessary, you waive your preferential subscription rights:
- issue, on one or more occasions, of shares and/or securities conferring entitlement to the share capital of the Company or to the share capital of a company in which the Company owns, directly or indirectly, more than half of the share capital and/or conferring entitlement to the grant of debt securities, with retention of preferential subscription rights (12th resolution),
- issue, on one or more occasions, of shares and/or securities conferring entitlement to the share capital of the Company or to the share capital of a company in which the Company owns, directly or indirectly, more than half of the share capital and/or conferring entitlement to the grant of debt securities, through a public offering (13th resolution) or through an offering referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (14th resolution),
- issue of shares (excluding preferred shares) and/or securities conferring entitlement to the share capital of the Company and/or conferring entitlement to the grant of debt securities, in connection with a public exchange offering initiated by your Company (18th resolution),
- issue of shares as a result of the issue by one of the companies in which the Company owns, directly or indirectly, more than half of the share capital, of securities conferring entitlement to the shares of the Company (19th resolution).
- You authorize it, pursuant to the 15th resolution for a period of 26 months and as part of the implementation of the delegations referred to in the 13th and/or the 14th resolution, to set the issue price up to the annual maximum limit of 10% of the share capital;

- You delegate to it, pursuant to the 17th resolution, for a period of 26 months, the authority to carry out issues of shares and/or marketable securities conferring entitlement to the share capital of the Company and/or conferring entitlement to the grant of debt securities, in consideration of the in-kind contributions granted to the Company and comprised of equity securities or marketable securities conferring entitlement to the share capital of other companies, for up to a maximum of 10% of the share capital of the Company.

The nominal amount of capital increases likely to be carried out immediately or in the future may not exceed:

- €117 million pursuant to the 12th to 20th resolutions and the 22nd to 26th resolutions,
- €35 million pursuant to the 13th to 19th resolutions,
- 20% of share capital per year pursuant to the 14th resolution,
- 10% of share capital per year pursuant to the 15th and 17th resolutions.
- The maximum nominal amount of marketable securities representative of debt securities of the Company likely to be issued may not exceed €1.5 billion pursuant to the 12th to 18th resolutions.
- These ceilings include the additional number of marketable securities to be created in connection with the implementation of the delegations referred to in the 12th to 15th resolutions, under the conditions set forth in Article L. 225-235-1 of the French Commercial Code, should you adopt the 16th resolution.

It is the Management Board's responsibility to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential subscription rights and on certain other information pertaining to these transactions, as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Management Board's report as it relates to these transactions



and the conditions in which the issue price of the equity securities to be issued was determined.

Subject to the subsequent review of the terms and conditions of the issues that may be decided, we have no comments on the conditions, as given in the Management Board's report, under which the issue price of the equity securities to be issued was determined pursuant to the *13th, 14th, 15th and 19th resolutions*.

In addition, as this report does not contain the conditions in which the issue price of the equity securities to be issued in connection with the implementation of the *12th, 17th and 18th resolutions* was determined, we cannot express an opinion on the items selected for the issue price.

As the issue price of the equity securities to be issued has not been determined, we express no opinion on the final terms and conditions under which the shares shall be issued and, consequently, on the proposed cancellation of preferential subscription rights on which you are asked to decide under the *13th, 14th, 15th and 19th resolutions*.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report, where necessary, when these delegations are utilized by your Management Board, should it issue shares with cancellation of preferential subscription rights and marketable securities conferring entitlement to shares in the Company and/or debt securities.

## 2. Issue of marketable securities conferring entitlement to the grant of debt securities (*21st resolution*)

In accordance with the procedure set forth in Article L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Management Board to decide on the issue of marketable securities conferring entitlement to the grant of debt instruments, a transaction on which you are being asked to vote.

The maximum nominal amount of marketable securities representative of debt securities on the Company that may be issued in connection with this delegation amounts to €1.5 billion, it being specified:

- that the amount of marketable securities conferring entitlement to the grant of debt securities of which the primary security is equity will be deducted from the overall ceiling of €117 million set forth in paragraph 2. of the *12th resolution*;
- that this maximum nominal amount is independent from the authorized maximum of debt securities that would be issued pursuant to the *12th to 18th resolutions*;
- that this amount will be increased by any possible redemption premium above par.

Your Management Board recommends that, based on its report, you confer on it, for a period of 26 months, the authority to decide

on this transaction. When necessary, the Management Board will set the final terms and conditions of the debt securities issue.

It is the responsibility of the Management Board to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified information extracted from the accounts and on certain other information concerning the issue, contained in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Management Board's report relating to this transaction.

As the final terms and conditions of this issue have not been set, we do not express an opinion on the final terms and conditions under which the issue will be performed.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report, if necessary, when your Management Board uses this authorization.

## 3. Issue of shares and/or marketable securities conferring entitlement to the share capital of the Company reserved for members of a company savings plan (*22nd resolution*)

In accordance with the procedures set forth in Articles L. 225-135 *et seq.* and L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Management Board to decide on, with the option to sub-delegate such authority, capital increases, on one or more occasions, with waiver of your preferential subscription rights, of shares and/or marketable securities conferring entitlement to the share capital of the Company, reserved for

members of one or more company savings plans (or another plan for members to which Articles L. 3332-18 to L. 3332-24 of the French Labor Code (*Code du travail*) would allow a capital increase to be performed under equivalent conditions) set up in the Company or a group of French or foreign companies, falling within the consolidation scope of the Company's accounts within the meaning of Article L. 233-16 of the French Commercial Code, a transaction on which you are being asked to vote.



The maximum nominal amount of capital increases likely to be carried out immediately or in the future may not exceed €9,400,000, it being specified that:

- this amount will be deducted from the overall ceiling of €117 million set forth in paragraph 2. of the *12th resolution*;
- this amount is an overall ceiling for all capital increases likely to be carried out pursuant to the *22nd, 23rd and 24th resolutions*.

This issue is subject to your approval pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 *et seq.* of the French Labor Code, subject to the condition precedent of adoption of the *23rd, 24th and 25th resolutions* submitted to this Shareholders' Meeting.

Your Management Board recommends that, having considered its report, you confer on it, for a period of 26 months, the authority to decide one or more issues and waive your preferential subscription rights. If applicable, it shall be responsible for determining the final issuance terms and conditions of this transaction.

It is the Management Board's responsibility to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential

subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Management Board's report as it relates to this transaction and the conditions in which the issue price of the equity securities to be issued was determined.

Subject to our review in due course of the terms and conditions of the proposed issue, we have no comments on the procedures for determining the share issue price of the equity securities to be issued presented in the Management Board's report.

As the issue price of the equity securities to be issued has not been determined, we express no opinion on the final terms and conditions under which the shares shall be issued and, consequently, on the proposed cancellation of preferential subscription rights on which you are asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report, where necessary, when this delegation is utilized by your Management Board.

#### **4. Issue of shares and/or marketable securities conferring entitlement to the share capital of the Company reserved for foreign companies of the Vallourec Group excluding the company savings plan (*23rd resolution*)**

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In accordance with the procedures set forth in Articles L. 225-135 *et seq.* and L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Management Board to decide on, with the option to sub-delegate, capital increases, on one or more occasions, by the issue, with waiver of your preferential subscription rights, of shares and/or marketable securities conferring entitlement to the capital of the Company reserved for employees and their beneficiaries, within the meaning of Article L. 3332-2 of the French Labor Code, of companies of the Vallourec Group whose headquarters are located outside of France and company mutual funds through which they would invest, a transaction on which you are being asked to vote.

The maximum nominal amount of capital increases likely to be carried out, immediately or in the future, may not exceed €9,400,000, it being specified that:

- this amount will be deducted from the overall ceiling of €117 million set forth in paragraph 2. of the *12th resolution*;
- this amount is an overall ceiling for all capital increases likely to be carried out pursuant to the *22nd, 23rd and 24th resolutions*.

This issue is subject to your approval subject to the condition precedent of adoption of the *22nd, 24th and 25th resolutions* submitted to this Shareholders' Meeting.

Your Management Board recommends that, having considered its report, you confer on it, for a period of 18 months, the authority to decide one or more capital increases and that you waive your preferential subscription rights to equity securities. If applicable, it will be responsible for determining the final issuance terms and conditions of this transaction.

It is the Management Board's responsibility to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Management Board's report as it relates to this transaction and the conditions in which the issue price of the equity securities to be issued was determined.

Subject to our review in due course of the terms and conditions of the proposed issue, we have no comments on the procedures for determining the share issue price of the equity securities to be issued presented in the Management Board's report.



As the issue price of the equity securities to be issued has not been determined, we express no opinion on the final terms and conditions under which the shares shall be issued and, consequently, on the proposed cancellation of preferential subscription rights on which you are asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report, where necessary, when this delegation is utilized by your Management Board.

## 5. Issue of shares and/or marketable securities conferring entitlement to the share capital of the Company reserved for credit establishments as part of a transaction reserved for employees (24th resolution)

In accordance with the procedures set forth in Articles L. 225-135, L. 225-138 and L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Management Board to decide on, with the option to sub-delegate, capital increases, on one or more occasions, by the issue, with waiver of your preferential subscription rights, of shares and/or marketable securities conferring entitlement to the capital of the Company, reserved for credit establishments acting on behalf of the Company to offer, to all or some employees outside of France, alternatives (regardless of whether or not they include a shareholders' component) to the structured offering of shares or marketable securities conferring entitlement to the share capital of the Company, proposed to employees of French companies of the Vallourec Group which are members of a company savings plan, all entities controlled by these credit establishments within the meaning of Article L. 233-3 of the French Commercial Code and all entities, with or without a legal personality, whose exclusive purpose is to subscribe, hold or sell shares of the Company or other financial instruments as part of the implementation of an offering to all or some of the employees outside of France, a transaction on which you are being asked to vote.

The maximum nominal amount of capital increases likely to be carried out, immediately or in the future, may not exceed €9,400,000, it being specified that:

- this amount will be deducted from the overall ceiling of €117 million set forth in paragraph 2. of the 12th resolution;
- this amount is the overall ceiling for all capital increases likely to be carried out pursuant to the 22nd, 23rd and 24th resolutions.

This issue is subject to your approval subject to the condition precedent of adoption of the 22nd, 23th and 25th resolutions submitted to this Shareholders' Meeting and may only be used for the requirements of an employee shareholders' offering carried out pursuant to the 22nd and/or 23rd resolutions.

Your Management Board recommends that, having considered its report, you confer on it, for a period of 18 months, the authority to decide one or more issues and waive your preferential subscription rights to the equity securities to be issued. If applicable, it shall be responsible for determining the final issuance terms and conditions of these transactions.

It is the Management Board's responsibility to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed cancellation of preferential subscription rights and on certain other information pertaining to the issuance as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Management Board's report as it relates to this transaction and the conditions in which the issue price of the equity securities to be issued was determined.

Subject to our review in due course of the terms and conditions of the proposed issue, we have no comments on the procedures for determining the share issue price of the equity securities to be issued presented in the Management Board's report.

As the issue price of the equity securities to be issued has not been determined, we express no opinion on the final terms and conditions under which the shares shall be issued and, consequently, on the proposed cancellation of preferential subscription rights on which you are asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we shall issue a supplementary report, where necessary, when this delegation is utilized by your Management Board.



## 6. Free grant of existing shares or shares to be issued to salaried employees and corporate officers, of companies of the Vallourec Group, located outside France, or certain categories of them (*25th resolution*)

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In accordance with the procedures set forth in Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed grant, on one or more occasions, of existing shares or shares to be issued (excluding preferred shares) to beneficiaries that the Management Board will determine from among employees and corporate officers, or certain categories of them, of affiliated companies or groupings of the Company under the conditions set forth in Article L. 225-197-2 of this Code and whose headquarters are located outside of France.

The number of existing shares or shares to be issued pursuant to this authorization may not represent more than 0.3% of the share capital of the Company as of the date on which the decision is made by the Management Board, as increased by the number of shares granted as adjustments in order to preserve the rights of the beneficiaries of the free grants of shares in the event of transactions on the share capital or shareholders' equity of the Company, it being specified that the maximum nominal amount of capital increases likely to be carried out immediately or in the future, pursuant to this delegation will be deducted from the overall ceiling of €117 million set forth in paragraph 2. of the *12th resolution*.

This issue is subject to your approval subject to the condition precedent of adoption of the *22nd, 23rd and 24th resolutions* submitted to this Shareholders' Meeting and may only be used for the requirements of an employee shareholders' offering carried out pursuant to the *22nd and/or 23rd resolutions*.

The Management Board recommends that you confer on it, for a period of 26 months, the authority to grant free shares, whether existing or to be issued, on one or more occasions. It is responsible for preparing a report on the transaction that it wishes to carry out. Our role is to inform you of our comments, if any, on the information thus given to you on the proposed transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Our work consisted in verifying more specifically that the proposed procedures and data presented in the Management Board's report comply with the legal provisions.

We have no comments to make on the information given in the Management Board's report in connection with the proposed grant of free shares.

## 7. Free grant of existing performance shares or shares to be issued to salaried employees and corporate officers of companies of the Vallourec Group, or certain categories of them (*26th resolution*)

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In accordance with the procedures set forth in Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed issue, on one or more occasions, of existing shares or shares to be issued to beneficiaries that the Management Board will determine from among employees and corporate officers, or certain categories of them, of the Company or of affiliated companies or groupings under the conditions set forth in Article L. 225-197-2 of this Code as well as corporate officers, or certain categories of them, of the Company or of affiliated companies or groupings that meet the conditions referred to in Article L. 225-197-1, II of this Code.

The number of shares granted pursuant to this authorization may not represent more than 1% of the share capital of the Company, as of the date on which the decision is made by the Management Board, as increased by the number of shares granted as adjustments in order to preserve the rights of the beneficiaries of the free grants of shares in the event of transactions on the share capital or shareholders' equity of the Company, it being specified that:

- the shares granted pursuant to this resolution will be deducted from the share subscription and purchase option ceiling set forth in the *21st resolution* adopted by the Shareholders' Meeting of June 4, 2009;

- the maximum nominal amount of share capital increases likely to be performed, immediately or in the future, pursuant to this delegation, will be deducted from the overall ceiling of €117 million set forth in paragraph 2. of the *12th resolution*.

The final grant of shares will be subject to performance conditions of the Vallourec Group assessed during the vesting period and to a condition of presence in the Group for the beneficiaries.

The Management Board recommends that you confer on it, for a period of 38 months, the authority to grant free shares, whether existing or to be issued, on one or more occasions. It is responsible for preparing a report on the transaction that it wishes to carry out. Our role is to inform you of our comments, if any, on the information thus given to you on the proposed transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Our work consisted in verifying more specifically that the proposed procedures and data presented in the Management Board's report comply with the legal provisions.

We have no comments to make on the information given in the Management Board's report in connection with the proposed grant of free shares.



## 8. Capital decrease through the cancellation of treasury shares (27th resolution)

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In accordance with the procedures set forth in Article L. 225-209 of the French Commercial Code (*Code de commerce*) in the event of a capital decrease through cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and terms and conditions of the proposed capital decrease.

Your Management Board recommends that you confer on it, for a period of 26 months, the authority to cancel, on one or more occasions, up to a maximum of 10% of its share capital, by 24 month periods, the shares purchased by the Company pursuant to the authorization to purchase its own shares as part of the provisions of the aforementioned article.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. Our procedures consisted, in particular, in verifying the fairness of the reasons for and the terms and conditions of the proposed decrease in share capital, and ensuring that it does not interfere with the equal treatment of shareholders.

We have no comments on the reasons for and the terms and conditions of the proposed decrease in share capital.

The Statutory Auditors

Paris La Défense and Neuilly-sur-Seine, 15 April 2011

**KPMG Audit**

*Division of KPMG S.A.*

Jean-Paul Vellutini

Philippe Grandclerc

**Deloitte & Associés**

Jean-Paul Picard

Jean-Marc Lumet



# DRAFT RESOLUTIONS FOR THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 7 JUNE 2011

## Within the remit of the Ordinary Shareholders' Meeting

### First resolution

*(Approval of the statutory financial statements for the 2010 financial year)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the statutory financial statements for the financial year ended 31 December 2010, the Management Board's reports, the Supervisory Board's report on the Management Board's management report and the statutory

financial statements, and the Statutory Auditors' report on the statutory financial statements, approves the financial statements for the financial year ended 31 December 2010, as well as all transactions reflected in the financial statements or summarized in these reports, showing profits of €515,485,565.85 for such financial year.

### Second resolution

*(Approval of the consolidated financial statements for the 2010 financial year)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the consolidated financial statements for the financial year ended 31 December 2010, the Management Board's reports, the Supervisory Board's report on the Management Board's report and the consolidated financial statements, and

the Statutory Auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended 31 December 2010, as well as all transactions reflected in the financial statements or summarized in these reports, showing profits of €452,835,000 for such financial year.

### Third resolution

*(Allocation of the net profit for the 2010 financial year and setting of the dividend at €1.30 per share)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, approves the allocation of net profit proposed by the Management Board as follows:

Profits for the financial year	€515,485,565.85
Allocation to the statutory reserve	€-676,500.80
Retained earnings carried forward	€656,416,043
<b>Distributable profit</b>	<b>€1,171,225,108.05</b>
<b>Payment to the shareholders of a dividend of €1.30 corresponding to a total dividend of</b>	<b>€153,327,306.60</b>
Balance allocated entirely to the retained earnings carried forward account	€1,017,897,801.45

The dividend for the financial year 2010 is therefore set at €1.30 for each of the 117,944,082 shares comprising the share capital as at 31 December 2010 and will bear rights as of 1 January 2010.

The Shareholders' Meeting specifies that the Company will not receive a dividend for its own shares that it holds on the payment date. If, when the dividend is paid, the Company owns some of its own shares, the sums corresponding to unpaid dividends for these shares will be allocated to the "Retained earnings" account. The Shareholders' Meeting therefore authorizes the Management Board to adjust, where applicable, the final amount actually paid and the final amount of the retained earnings.

In accordance with Article 243 *bis* of the French *Code général des impôts*, it is specified that this dividend is eligible, when it is paid to shareholders who are individuals domiciled in France for tax purposes, for a 40% reduction provided for by application of Article 158-3-2 of the same Code. In accordance with



Article 117 *quater* of the French *Code général des impôts*, the shareholders may nevertheless, subject to certain conditions and instead of the progressive income tax rate scale, opt for a flat-rate withholding tax at the rate of 19%; the dividend is then no longer eligible for the 40% reduction. Shareholders are reminded that, in these two cases, under certain conditions, social security contributions relating to these dividends are withheld at source.

The Shareholders' Meeting acknowledges that, taking into account the 2:1 stock split on 9 July 2010, the amount of dividends paid, the income distributed that was eligible for the 40% reduction and the income distributed that was not eligible for this reduction in the three financial years prior to the financial year 2010, were as follows:

	Financial year 2007	Financial year 2008	Financial year 2009
Dividend per share	€5.50	€3	€1.75
Amount of income distributed eligible for 40% reduction	€5.50 <sup>(1)</sup>	€3 <sup>(2)</sup>	€1.75 <sup>(3)</sup>
Amount of income distributed not eligible for 40% reduction	0	0	0

(1) Including an interim dividend of €2 per share distributed on 4 July 2007.

(2) Shareholders are reminded that the Ordinary and Extraordinary Shareholders' Meeting of 4 June 2009 granted each of the Company's shareholders the option to receive payment of the dividend either in cash or in shares, in accordance with the statutory and regulatory provisions.

(3) Shareholders are reminded that the Ordinary and Extraordinary Shareholders' Meeting of 31 May 2010 granted each of the Company's shareholders the option to receive payment of the dividend either in cash or in shares, in accordance with the statutory and regulatory provisions.

The ex-dividend date for the dividend will be 16 June 2011 and the payment date 7 July 2011.

## Fourth resolution

### (Option to receive payment of the dividend in shares)

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, and in accordance with Article 15 of the by-laws, decides to grant each shareholder the possibility of opting for the payment in new shares of the entire net dividend to which he or she is entitled by virtue of the shares owned by him or her.

In the event this option is exercised, the new shares will be issued at a price equal to 90% of the average opening price of the Company's shares listed on the regulated market of NYSE Euronext Paris during the 20 trading sessions preceding this Shareholder's Meeting, reduced by the net amount of the dividend referred to in the *third resolution* and rounded up to the nearest cent.

If the amount of the dividends for which the option is exercised does not correspond to a whole number of shares, shareholders may:

- obtain the next higher whole number of shares by paying the difference in cash on the date that they exercise the option; or
- receive the next lower whole number of shares plus the balance in cash.

The shares delivered as dividend payments will bear rights as of 1 January 2011. The option for payment of the dividend in shares must be exercised between 16 June 2011 and 28 June 2011 inclusive by sending a request to the paying institutions. After this period, the dividend may only be paid in cash.

Shareholders who have chosen to receive payment of the dividend in shares will receive their shares on the same date as the date dividends are paid in cash, *i.e.* on 7 July 2011.

The Shareholders' Meeting grants all powers to the Management Board, with the option to sub-delegate under the conditions laid down by law, for the purposes of taking all the necessary measures for the application and performance of this resolution, to define the terms of application and performance, to record the capital increase that will result from this decision, to amend the Company's by-laws accordingly and, more generally, to do anything that is appropriate or required.



## **Fifth resolution**

*(Ratification of the provisional appointment of Mrs Pascale Chargrasse as the member of the Supervisory Board representing employee shareholders)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, decides to ratify the provisional appointment of Mrs Pascale Chargrasse as a member of the Supervisory Board representing employee

shareholders decided by the Board at its meeting on 13 December 2010, for the remainder of the term of office of Mr François Henrot, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2010.

## **Sixth resolution**

*(Renewal of the term of office of Mrs Pascale Chargrasse as the member of the Supervisory Board representing employee shareholders)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, decides to renew the term of office of Mrs Pascale Chargrasse as a member

of the Supervisory Board representing employee shareholders for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2014.

## **Seventh resolution**

*(Renewal of the term of office of Mr Jean-Paul Parayre as a member of the Supervisory Board)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, decides to renew the term of office of Mr Jean-Paul Parayre as a member of

the Supervisory Board for a period of two (2) years, *i.e.* until the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2012.

## **Eighth resolution**

*(Renewal of the term of office of Mr Patrick Boissier as a member of the Supervisory Board)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, decides to renew the term of office of Mr Patrick Boissier as a

member of the Supervisory Board for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2014.

## **Ninth resolution**

*(Appointment of Mrs Anne-Marie Idrac as a member of the Supervisory Board)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, decides to appoint Mrs Anne-Marie Idrac as a member of the Supervisory

Board for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2014.



## Tenth resolution

### (Appointment of Mr François Henrot as a Censeur (non-voting member) to the Supervisory Board)

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, decides to appoint Mr François Henrot as a Censeur (non-voting

member) to the Supervisory Board for a period of four (4) years, *i.e.* until the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2014.

## Eleventh resolution

### (Authorization for the Management Board to trade in the Company's own shares)

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, having examined the Management Board's report, authorizes the Management Board, with the power to sub-delegate as provided by law, in accordance with Articles L. 225-209 *et seq.* of the French *Code de commerce* and with the conditions defined in Articles 241-1 to 241-6 of the General Regulations of the French securities regulator (*Autorité des Marchés Financiers* – AMF) and EU Regulation no. 2273/2003 of 22 December 2003 implementing EU Directive no. 2003/6/EC of 28 January 2003, to purchase the Company's shares, or arrange to have them purchased, for the following purposes:

- i. to implement any share option plan of the Company in accordance with the provisions of Articles L. 225-177 *et seq.* of the French *Code de commerce*;
- ii. to allocate or sell shares to employees to enable them to participate in the Company's expansion and in connection with any group or company savings scheme (or similar scheme) as established under applicable law, in particular Articles L. 3332-1 *et seq.* of the French *Code du travail*;
- iii. to allocate shares free of charge or to allocate performance shares in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French *Code de commerce*;
- iv. to allocate the Company's shares to Group employees and Corporate Officers outside France;
- v. to stimulate the secondary market or increase the liquidity of Vallourec shares through an investment services provider, under the terms of a liquidity contract that complies with the Code of Conduct (*Charte de déontologie*) issued by the French *Association des marchés financiers*, approved by the AMF, in accordance with the market practices permitted by the AMF;
- vi. to hold and subsequently deliver shares (in payment, exchange or otherwise) in connection with any transactions involving acquisitions, and, in particular, mergers, split-offs or contributions, in accordance with the market practices permitted by the AMF;
- vii. to deliver shares upon the exercise of rights attached to securities giving access to share capital by means of redemption, conversion, exchange, exercise of a warrant or in any other manner; or

viii. to cancel all or some of the shares thus bought back, provided the Management Board has been authorized to do so by a Shareholders' Meeting held as an Extraordinary Meeting, and that such authorization is valid, enabling it to reduce the share capital by cancelling the shares acquired within the scope of a share buyback programme.

This programme is also intended to allow the Company to trade in its own shares for any other purpose that has been or will be authorized under existing laws and regulations, including any market practice that may be permitted by the AMF after this Shareholders' Meeting. In this case, the Company will inform its shareholders by means of a press release.

The number of the Company's shares that it may buy back may not at any time exceed 10% of the total number of shares comprising the Company's capital. This percentage shall apply to a capital as adjusted, where applicable, for any transactions affecting the share capital that may occur after this Shareholders' Meeting, provided that (i) the number of shares acquired for holding and subsequent delivery as payment or exchange in the case of mergers, split-offs or contributions shall not exceed 5% of the share capital, (ii) where shares are bought back to increase the liquidity of Vallourec's shares under the conditions defined in the AMF's General Regulations, the number of shares used to calculate the aforementioned 10% limit corresponds to the number of shares purchased minus the number of shares re-sold during the term of the authorization and (iii) the number of shares that the Company may hold, at any given moment, may not exceed 10% of its share capital at the date thereof.

Shares may be purchased, sold, exchanged or transferred on one or more occasions, by any means, on the regulated markets, by the use of multilateral trading facilities, systematic internalisers or over-the-counter markets, and, in particular, by buying or selling blocks of shares (without limiting the part of the buyback programme that may be carried out in this way), by using derivative financial instruments or warrants or, more generally, securities giving the holder the right to the Company's shares, at the times the Management Board or the person to whom the Management Board has delegated authority considers appropriate, except during periods when the Company's shares are the subject of a takeover bid.



The maximum purchase price per share is set at €140 (or the equivalent of this amount in any other currency on the same date).

The Shareholders' Meeting delegates to the Management Board, including the right to sub-delegate under the conditions laid down by law, in the event of a change in the par value of the shares, the power to increase the share capital by means of capitalizing reserves, the allocation of shares free of charge, stock split or reverse stock split, the distribution of reserves or of any other assets, the redemption of share capital or any other transaction involving the equity, the authority to adjust the maximum purchase price set above in order to take into account the effect of these transactions on the value of the share.

As an indication, the maximum theoretical amount that may be allocated to this buyback programme is set at €1.6 billion, corresponding to 11,794,408 shares purchased at the maximum purchase price of €140 set above, on the basis of the share capital as at 31 March 2011.

The Shareholders' Meeting grants all powers to the Management Board, including the right to sub-delegate under the conditions

laid down by law, to decide to implement this authorization, to specify the terms thereof, if necessary, and to decide upon the conditions for carrying out the share buyback programme and, in particular, to make any stock exchange order, to enter into any agreement, in particular for keeping share purchase and sale registers, allocate or reallocate shares bought back to objectives pursued in compliance with applicable laws and regulations, make all declarations to the AMF and any other authority, carry out all formalities and, generally, take all necessary action.

The Management Board is expressly authorized to sub-delegate to its Chairman, including the right to sub-delegate to the person of his choice, its power to execute the decisions made by the Management Board further to this authorization.

This authorization is granted for a period of eighteen (18) months as from this Shareholders' Meeting.

The Shareholders' Meeting decides that, as of the date hereof, this authorization cancels and replaces any previous authorization of a similar nature as regards amounts so far unused.

## Within the remit of the Extraordinary Shareholders' Meeting

### Twelfth resolution

*(Delegation of authority to the Management Board to issue, with the retention of preferential subscription rights, shares in the Company and/or securities giving access to the capital of the Company or of its Subsidiaries)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce*, in particular Article L. 225-129-2 and Articles L. 228-91 *et seq.* of the French *Code de commerce*:

1. delegates to the Management Board, with the power to sub-delegate subject to applicable law, its authority to decide to increase the share capital, on one or more occasions, in France or abroad, in the proportions and at the times it shall consider appropriate, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, by issuing, with the retention of the shareholders' preferential subscription rights, either in euros, in any other currency or in monetary units created with reference to several currencies, (i) the Company's shares (excluding preference shares), (ii) marketable securities giving access, either now or in the future, to the Company's capital (whether these are new or existing shares), issued for valuable consideration or free of charge, or (iii) securities giving access, either now or in the future, to the capital (whether these are new or existing shares) of a company in which the Company owns directly or indirectly more than half of the share capital (the "Subsidiaries"), it being specified that shares and other securities may be subscribed for either in cash or by offsetting against existing debt;
2. decides to set the caps on the amounts of increases in capital authorized in the event the Management Board uses this delegation of authority as follows:
  - the maximum nominal amount of the increases in capital that may be made, either now or in the future, pursuant to this delegation is set at €117 million, it being specified that the overall maximum nominal amount of the increases in capital that may be made pursuant to this delegation, as well as the *thirteenth* to the *twentieth resolutions* and the *twenty-second* to the *twenty-sixth resolutions* submitted to this Shareholders' Meeting, shall be deducted from this cap of €117 million,
  - the par value of shares to be issued in order to protect the rights of holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, shall be added to this cap, where applicable;



3. decides that the securities giving access to the Company's capital or to that of a Subsidiary issued pursuant to this resolution may, in particular, consist of debt securities, be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or unsubordinated securities, with a fixed or an indefinite term, and may be issued either in euros, in any other currency or in monetary units created with reference to several currencies;
4. decides to set the maximum nominal amount of debt securities on the Company issued pursuant to this resolution at €1.5 billion or the equivalent on the date of the decision to issue said securities, it being specified that this cap applies to all debt securities that may be issued pursuant to this resolution and under the terms of the *thirteenth* to the *eighteenth resolutions* submitted to this Shareholders' Meeting. However, it is independent of the amount of securities granting the right to be allocated debt securities that may be issued on the basis of the *twenty-first resolution* submitted to this Shareholders' Meeting and the amount of the debt securities whose issue may be decided on or authorized by the Management Board in accordance with Article L. 228-40 of the French *Code de commerce*;
5. in the event the Management Board uses this delegation:
  - ◉ decides that the shareholders shall have a preferential subscription right to the shares and securities issued pursuant to this resolution in proportion to the amount of their shares,
  - ◉ acknowledges the fact that the Management Board has the power to introduce, in favour of shareholders, a right to subscribe to the excess shares or marketable securities issued that will be exercised in proportion to their subscription rights and, in any event, within the limit of their requests,
  - ◉ acknowledges the fact that this delegation of authority automatically entails the waiver by the shareholders of their preferential subscription rights to the shares to which these marketable securities will entitle them, either now or in the future, in favour of the holders of securities issued giving access to the Company's capital,
  - ◉ acknowledges the fact that, in accordance with Article L. 225-134 of the French *Code de commerce*, if subscriptions by way of right and, where applicable, for excess shares, have not taken up the whole of the capital increase, the Management Board may, under the conditions laid down by law and in the order it shall decide, use one and/or another of the following possibilities:
    - ◉ to limit the capital increase to the amount of the subscriptions received, provided that this amounts to at least three-quarters of the increase decided on,
    - ◉ to allocate, without restriction, all or some of the shares or, depending on the circumstances, the securities giving access to the capital that have not been subscribed,
    - ◉ to offer to the public all or some of the shares or, depending on the circumstances, the securities giving access to the capital that have not been subscribed, on the French market or on foreign markets,
  - ◉ decides that warrants for the Company's shares may be issued by means of a subscription offering, but also by the allocation free of charge to the owners of existing shares, it being specified that the Management Board shall have the power to decide that the allocation rights to fractional shares are not tradable and that the corresponding securities will be sold;
6. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation of authority, for the purpose, in particular, of:
  - ◉ deciding to increase the capital and, where applicable, postponing any such increase,
  - ◉ deciding on the amount of the capital increase, the issue price and the amount of the additional paid-in capital which may, where applicable, be requested at the time of the issue,
  - ◉ determining the dates and terms and conditions of the issues,
  - ◉ determining the nature, number and the characteristics of the securities to be created, deciding, in the case of bonds or other debt securities, whether they are subordinated or unsubordinated securities (and their subordination ranking, where applicable), their interest rate, their term (fixed or indefinite) and providing, where applicable, for cases in which interest can or must be suspended or not paid, the possibility of reducing or increasing the par value of the shares and the other terms and conditions of issue (including the fact of granting them guaranties or sureties) and redemption (including repayment by providing Company assets); where applicable, these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription to bonds or other debt securities, or providing for the right for the Company to issue debt securities (comparable or not) in the payment of interest where payment has been suspended by the Company, or take the form of complex bonds within the meaning understood by the stock market authorities (for example, due to the terms and conditions of repayment or remuneration or other rights such as indexation, the possibility of options); changing, during the life of the securities involved, the terms and conditions thereof, in accordance with the applicable formalities,
  - ◉ determining the method of paying up the shares or the marketable securities giving access to the capital to be issued either now or in the future,
  - ◉ setting, if applicable, the terms and conditions for exercising the rights (where applicable, rights to conversion, exchange and redemption, including by the provision of the Company's assets such as its own shares held or securities already issued by the Company) attached to shares or securities giving access to the capital to be issued and, in particular, deciding on the date, which may even be a retrospective date, as from which the new shares will bear rights, as well as all other terms and conditions and procedures for carrying out the capital increase,
  - ◉ setting the terms and conditions under which the Company will, where applicable, have the possibility of purchasing or exchanging the securities issued, or to be issued either now or in the future, on the stock exchange, at any time or during given periods, with a view to cancelling them or not, taking statutory provisions into account,



## DRAFT RESOLUTIONS FOR THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 7 JUNE 2011

- providing for the possibility of suspending the exercise of the rights attached to these securities in accordance with the statutory and regulatory provisions,
  - determining and making any adjustments designed to take into account the effect of transactions involving the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of shares free of charge, stock split or reverse stock split, the distribution of dividends, reserves or additional paid-in capital or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting all other terms and conditions making it possible, where applicable, to protect the rights of holders of marketable securities giving access to the capital (including by means of adjustments in cash),
  - recording the completion of each capital increase and making the corresponding amendments to the by-laws,
  - deducting, at its sole discretion, the costs of the capital increase from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required for the legal reserve from this amount,
  - generally, to enter into all agreements, taking all steps and carrying out all formalities required for the issuing, listing and servicing of the shares issued pursuant to this delegation and the exercise of the attached rights;
7. decides that this delegation, which cancels and replaces any previous authorization as regards amounts so far unused, will be valid for twenty-six (26) months as from this Shareholders' Meeting;
  8. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.

### Thirteenth resolution

*(Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, via public share offering(s), shares in the Company and/or securities giving access to the capital of the Company or of its Subsidiaries)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce*, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136, and the provisions of Articles L. 228-91 *et seq.* of said Code:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, its authority to decide to increase the share capital, on one or more occasions, in France or abroad, in the proportions and at the times it shall consider appropriate, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, by issuing, with the cancellation of the shareholders' preferential subscription rights, either in euros, in any other currency or in monetary units created with reference to several currencies, by means of a public offering or offerings (i) the Company's shares (excluding preference shares), (ii) securities giving access, either now or in the future, to the Company's capital (whether these are new or existing shares), issued for valuable consideration or free of charge, or (iii) securities giving access, either now or in the future, to the capital (whether these are new or existing shares) of a company in which the Company owns directly or indirectly more than half of the share capital (the "Subsidiaries"), it being specified that shares and other securities may be subscribed for either in cash or by offsetting against existing debt;
2. decides to set the limits on the amounts of increases in capital authorized in the event the Management Board uses this delegation of authority as follows:
  - the maximum nominal amount of the increase in capital that may be made, either now or in the future, pursuant to this delegation is set at €35 million, it being specified this amount shall be deducted from the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of an overall cap that may be provided for in a resolution of a similar nature that may supersede said resolution while the delegation is still valid,
  - the par value of shares to be issued in order to protect the rights of holders of marketable securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, shall be added to this cap, where applicable;
3. decides that the securities giving access to the Company's capital or to that of a Subsidiary issued pursuant to this resolution may, in particular, consist of debt securities, be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may in particular take the form of subordinated or unsubordinated securities, with a fixed or an indefinite term, and may be issued either in euros, in any other currency or in monetary units created with reference to several currencies;



4. decides to set the maximum nominal amount of debt securities on the Company issued pursuant to this resolution at €1.5 billion or the equivalent on the date of the decision to issue said securities, it being specified that the amount shall be deducted from the amount of the overall cap on debt securities provided for in paragraph 4 of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of an overall cap on debt securities that may be provided for in a resolution of a similar nature that may supersede said resolution while the delegation is still valid;
5. decides that the public offering or offerings decided on pursuant to this resolution may be associated, within the scope of the same issue or several issues carried out simultaneously, with an offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*, decided on pursuant to the *fourteenth resolution* submitted to this Shareholders' Meeting;
6. decides to cancel shareholders' preferential subscription rights to the securities that are the subject of this resolution and to offer them within the scope of a public offering or offerings, however leaving the Management Board, pursuant to Article L. 225-135, second paragraph, the possibility of granting to the shareholders, within a period and in accordance with the terms and conditions it shall set in accordance with the statutory and regulatory provisions applicable, and for all or some of an issue made, a priority subscription period not resulting in the creation of tradable rights which shall be exercised in proportion to the number of shares owned by each shareholder and which may be supplemented by a subscription for excess shares, it being specified that shares not subscribed to pursuant to this right may be subject to public placement in France or abroad;
7. acknowledges the fact that, if the subscriptions, including, where applicable, those of the shareholders, have not taken up the whole of the capital increase, the Management Board may, in the order it shall decide, use one and/or another of the following possibilities:
  - ▶ to limit the capital increase to the amount of the subscriptions received, provided that this amounts to at least three-quarters of the increase decided on,
  - ▶ to allocate, without restriction, all or some of the shares or the securities giving access to the capital that have not been subscribed,
  - ▶ to offer to the public all or some of the shares or the securities giving access to the capital that have not been subscribed, on the French market or on foreign markets;
8. acknowledges the fact that this delegation of authority automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which these securities will entitle them, in favour of the holders of securities issued giving access to the Company's capital;
9. acknowledges the fact that, in accordance with Article L. 225-136, 1, first paragraph of the French *Code de commerce*:
  - ▶ the issue price of the shares shall be at least equal to the minimum provided for in the regulatory provisions applicable on the date of issue (as of the date hereof, the weighted average share price during the three trading sessions preceding the setting of the subscription price of the capital increase less a maximum discount of 5%), after correction, if applicable, of this amount to take into account the difference in dividend entitlement date,
  - ▶ the issue price of the marketable securities giving access to the capital and the number of shares to which the conversion, redemption or, more generally, the transformation of each security giving access to the capital may entitle the holder shall be such that the amount immediately received by the Company, plus, where applicable, the amount to be received subsequently by it, *i.e.* for each Company share issued as a result of the issuing of these securities, shall be at least equal to the minimum issue price defined in the foregoing paragraph, after correction, if applicable, of the amount to take into account the difference in the dividend entitlement date;
10. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation of authority, for the purpose, in particular, of:
  - ▶ deciding to increase the capital and, where applicable, postponing any such increase,
  - ▶ deciding on the amount of the capital increase, the issue price and the amount of the additional paid-in capital which may, where applicable, be requested at the time of the issue,
  - ▶ determining the dates and terms and conditions of the issues,
  - ▶ determining the nature, number and the characteristics of the securities to be created, deciding, in the case of bonds or other debt securities, whether they are subordinated or unsubordinated securities (and, where applicable, their subordination ranking), their interest rate, their term (fixed or indefinite) and providing, where applicable, for cases in which interest can or must be suspended or not paid, the possibility of reducing or increasing the par value of the securities and the other terms and conditions of issue (including the fact of granting them guaranties or sureties) and redemption (including repayment by providing Company assets); where applicable, these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription to bonds or other debt securities, or providing for the Company's right to issue debt securities (comparable or not) in the payment of interest where payment has been suspended by the Company, or take the form of complex bonds within the meaning understood by the stock market authorities (for example, due to the terms and conditions of repayment or remuneration or other rights such as indexation or the possibility of options); changing, during the life of the securities involved, their terms and conditions, in accordance with the applicable formalities,
  - ▶ determining the method of paying up the shares or the securities giving access to the capital to be issued either now or in the future,
  - ▶ setting, if applicable, the terms and conditions for exercising the rights (where applicable, rights to conversion, exchange and redemption, including by the provision of the Company's assets such as its own shares held or securities already issued by the Company) attached to shares or securities giving access to the capital to be issued and, in particular, deciding on the date, which may even be a retrospective date, as from which the new shares will bear rights, as well as all other terms and conditions of the capital increase,



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- setting the terms and conditions under which the Company will, where applicable, have the possibility of purchasing or exchanging the securities issued, or to be issued, either now or in the future, on the stock exchange, at any time or during given periods, whether or not with view to cancelling, taking statutory provisions into account,
  - providing for the possibility of suspending the exercise of the rights attached to these securities in accordance with the statutory and regulatory provisions,
  - determining and making any adjustments designed to take into account the effect of transactions involving the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of free shares, stock split or reverse stock split, the distribution of dividends, reserves or additional paid-in capital or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting all other terms and conditions making it possible, where applicable, to protect the rights of holders of securities giving access to the capital (including by means of adjustments in cash),
  - recording the completion of each capital increase and making the corresponding amendments to the by-laws,
  - deducting, at its sole discretion, the costs of the capital increases from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required for the legal reserve from this amount,
  - generally, to enter into all agreements, taking all steps and carrying out all formalities required for the issuing, listing and servicing of the shares issued pursuant to this delegation and the exercise of the attached rights;
11. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, will be valid for twenty-six (26) months as from this Shareholders' Meeting;
12. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.

### Fourteenth resolution

*(Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, via private placement(s), shares in the Company and/or securities giving access to the capital of the Company or of its Subsidiaries)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce*, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136, and the provisions of Articles L. 228-91 *et seq.* of said Code:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, its authority to decide to increase the share capital, on one or more occasions, in France or abroad, in the proportions and at the times it shall consider appropriate, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, by issuing, by means of the offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*, with the cancellation of preferential subscription rights, either in euros, in any other currency or in monetary units created with reference to several currencies, (i) the Company's shares (excluding preference shares), (ii) securities giving access, either now or in the future, to the Company's capital (whether these are new or existing shares), issued for valuable consideration or free of charge, or (iii) securities giving access, either now or in the future, to the capital (whether these are new or existing shares) of a company in which the Company owns directly or indirectly more than half of the share capital (the "Subsidiaries"), it being specified that shares and other securities may be subscribed for either in cash or by offsetting against existing debt;
2. decides to set the limits on the amounts of increases in capital authorized in the event the Management Board uses this delegation of authority as follows:
  - the maximum nominal amount of the increases in capital that may be made, either now or in the future, pursuant to this delegation is set at €35 million, it being specified that this amount shall be deducted from the amount of the cap on capital increases provided for in paragraph 2. of the *thirteenth resolution* and from the amount of the cap on capital increases provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of overall caps that may be provided for in resolutions of a similar nature that may supersede said resolutions while the delegation is still valid,
  - in any event, the issues of equity securities carried out pursuant to this delegation may not exceed the limits provided for under the regulations applicable on the date of the issue (as of the date hereof, 20% of the share capital per year), and
  - the par value of shares to be issued in order to protect the rights of holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, shall be added to these caps, where applicable;



3. decides that the securities giving access to the Company's capital or to that of a Subsidiary issued pursuant to this resolution may, in particular, consist of debt securities, be associated with the issue of such securities, or allow the issue thereof as intermediate securities. They may, in particular, have the form of subordinated or unsubordinated securities, with a fixed or an indefinite term, and may be issued either in euros, in any other currency or in monetary units created with reference to several currencies;
4. decides to set the maximum nominal amount of debt securities on the Company issued pursuant to this resolution at €1.5 billion or the equivalent on the date of the decision to issue said securities, it being specified that the amount shall be deducted from the amount of the overall cap on debt securities provided for in paragraph 4 of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of an overall cap for debt securities that may be provided for in a resolution of a similar nature that may supersede said resolution while delegation is still valid;
5. decides that the offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*, decided on pursuant to this resolution, may be associated, within the scope of the same issue or several issues carried out simultaneously, with a public offering or offerings, decided on pursuant to the *thirteenth resolution* submitted to this Shareholders' Meeting;
6. decides to cancel shareholders' preferential subscription rights to the securities that are the subject of this resolution and to offer them within the scope of the offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*;
7. acknowledges the fact that, if the subscriptions, including, where applicable, those of the shareholders, have not taken up the whole of the capital increase, the Management Board may, in the order it shall decide, use one and/or another of the following possibilities:
  - to limit the capital increase to the amount of the subscriptions received, provided that this amounts to at least three-quarters of the increase decided on,
  - to allocate, without restriction, all or some of the shares or the securities, giving access to the capital, that have not been subscribed,
  - to offer to the public all or some of the shares or the securities giving access to the capital that have not been subscribed, on the French or on foreign markets;
8. acknowledges the fact that this delegation of authority automatically entails the express waiver by the shareholders of their preferential subscription rights to the shares to which these securities will entitle them in favour of the holders of securities issued giving access to the Company's capital;
9. acknowledges the fact that, in accordance with Article L. 225-136, 1, first paragraph of the French *Code de commerce*:
  - the issue price of the shares shall be at least equal to the minimum provided for in the regulatory provisions applicable on the date of issue (as of the date hereof, the weighted average share price during the three trading sessions preceding the setting of the subscription price of the capital increase less a maximum discount of 5%), after correction, if applicable, of this amount to take into account the dividend entitlement date,
  - the issue price of the securities giving access to the capital and the number of shares to which the conversion, redemption or, more generally, the transformation of each marketable security giving access to the capital may entitle the holder, shall be such that the amount immediately received by the Company, plus, where applicable, the amount to be received subsequently by it, shall be, for each Company share issued as a result of the issuing of these securities, at least equal to the minimum issue price defined in the foregoing paragraph, after correction, if applicable, of the amount to take into account the difference in dividend entitlement date;
10. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation of authority, for the purpose, in particular, of:
  - deciding to increase the capital and, where applicable, postponing any such increase,
  - deciding on the amount of the capital increase, the issue price and the amount of the additional paid-in capital which may, where applicable, be requested at the time of the issue,
  - determining the dates and terms and conditions of the issues,
  - determining the nature, number and the characteristics of the securities to be created, deciding, in the case of bonds or other debt securities, whether they are subordinated or unsubordinated securities (and, where applicable, their subordination ranking), their interest rate, their term (fixed or indefinite) and providing, where applicable, for cases in which interest can or must be suspended or not paid, the possibility of reducing or increasing the par value of the securities and the other terms and conditions of issue (including the fact of granting them guarantees or sureties) and redemption (including repayment by providing Company assets); where applicable, these securities may be accompanied by warrants giving the right to the allocation, acquisition or subscription to bonds or other debt securities, or providing for the right for the Company to issue debt securities (comparable or not) in the payment of interest where payment has been suspended by the Company, or take the form of complex bonds within the meaning understood by the stock market authorities (for example, due to the terms and conditions of repayment or remuneration or other rights such as indexation or the possibility of options); changing, during the life of the securities involved, their terms and conditions, in accordance with the applicable formalities,
  - determining the method of paying up the shares or the securities giving access to the capital to be issued either now or in the future,
  - setting, if applicable, the terms and conditions for exercising the rights (where applicable, rights to conversion, exchange, redemption, including by the provision of the Company's assets such as its own shares held or securities already issued by the Company) attached to shares or securities giving access to the capital to be issued and, in particular, deciding on the date, which may even be a retrospective date, as from which the new shares will bear rights, as well as all other terms and conditions and procedures for carrying out the capital increase,



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- setting the terms and conditions under which the Company will, where applicable, have the possibility of purchasing or exchanging the securities issued, or to be issued either now or in the future, on the stock exchange, at any time or during given periods, whether or not with a view to cancelling them, taking statutory provisions into account,
  - providing for the possibility of suspending the exercise of the rights attached to these shares in accordance with the statutory and regulatory provisions,
  - determining and making any adjustments designed to take into account the effect of transactions involving the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of shares free of charge, stock split or reverse stock split, the distribution of dividends, reserves or additional paid-in capital or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting all other terms and conditions making it possible, where applicable, to protect the rights of holders of securities giving access to the capital (including by means of adjustments in cash),
  - recording the completion of each capital increase and making the corresponding amendments to the by-laws,
  - deducting, at its sole discretion, the costs of the capital increases from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required for the legal reserve from this amount,
  - generally, entering into all agreements, taking all steps and carrying out all formalities required for the issuing, listing and servicing of the shares issued pursuant to this delegation and the exercising of the attached rights;
11. records that, as this delegation is not a general delegation of authority relating to an increase in capital with the cancellation of preferential subscription rights, but a delegation of authority relating to an increase in share capital with the cancellation of preferential subscription rights by means of the offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*, it does not have the same purpose as the *thirteenth resolution* submitted to this Shareholders' Meeting and, therefore, acknowledges the fact that this delegation does not render null and void the *thirteenth resolution* submitted to this Shareholders' Meeting, the validity and term of which are not affected by this delegation;
  12. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, *i.e.* any delegation of authority relating to the increase in capital with the cancellation of preferential subscription rights by means of the offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*, will be valid for twenty-six (26) months as from this Shareholders' Meeting;
  13. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.

### Fifteenth resolution

*(Authorization for the Management Board, in the event of the issue of the Company's shares and/or of securities giving access, either now or in the future, to the capital of the Company or of its Subsidiaries, with the cancellation of preferential subscription rights, carried out pursuant to the thirteenth and/or the fourteenth resolutions submitted to this Shareholders' Meeting, to set the issue price in accordance with the terms and conditions determined by the Shareholders' Meeting, within a limit of 10% of the capital per year)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Article L. 225-136-1 of the French *Code de commerce*:

1. authorizes the Management Board, with the power to sub-delegate under the conditions laid down by law, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, to set the price of an increase in share capital, decided on within the scope of the foregoing *thirteenth and/or fourteenth resolutions*, by issuing the Company's shares (excluding preference shares) and/or securities giving access, either now or in the future, to the capital (whether these are new or existing shares) of the Company or of a company of which it owns directly or indirectly more than half of the share capital (the "Subsidiaries"), with the cancellation of preferential subscription rights, by means of a public offering or offerings and/or, depending on the circumstances, by means of the offering or offerings referred to in Section II of Article L. 411-2 of the French *Code monétaire et financier*, departing from the pricing conditions provided for in the aforementioned *thirteenth and fourteenth resolutions* under the following conditions:
  - the issue price may not be lower, at the discretion of the Management Board, than either (i) the average price of the share on the regulated market of NYSE Euronext Paris, weighted by volume during the trading session preceding the pricing of the issue or (ii) the average price of the Vallourec share on the regulated market of NYSE Euronext Paris, weighted by volume, set during the trading session when the issue price was determined, in each case, potentially reduced by a maximum discount of 5%;



2. decides that the maximum nominal amount of the increases in capital that may be made, either now or in the future, pursuant to this authorization, may not exceed 10% of the Company's capital per year (it being specified that this limit of 10% shall be assessed at any time whatsoever in relation to share capital as adjusted for any transactions that may affect it after this Shareholders' Meeting), within the limit of the cap on capital increases provided for in the *thirteenth resolution* or, depending on the circumstances, in the *fourteenth resolution* and the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution* from which it shall be deducted, or, where applicable, within the limit of the caps provided for in resolutions of a similar nature that may supersede said resolutions during the period of validity of this delegation;
3. decides, under the conditions provided for in paragraph 10 of the *thirteenth resolution* or, depending on the circumstances, of the *fourteenth resolution*, that the Management Board shall have all powers to implement this authorization;
4. decides that this authorization, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
5. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.

## Sixteenth resolution

*(Delegation of authority to the Management Board to increase the number of securities to be issued in the event of a capital increase, with or without preferential subscription rights, realized pursuant to the twelfth to the fifteenth resolutions proposed at the current Shareholders' Meeting)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Article L. 225-135-1 of the French *Code de commerce*:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, its authority to decide to increase the number of securities to be issued in the event of an increase in the Company's capital, with or without preferential subscription rights, decided pursuant to the *twelfth* to the *fifteenth resolutions* submitted to this Shareholders' Meeting, at the same price as that used for the initial issue, within the times and limits provided for in the regulations that apply on the date of the issue (as of the date hereof, within 30 days following the closing of the subscription and within the limit of 15% of the initial issue), in particular with a view to granting an over-allocation option in accordance with market practices;
2. the maximum nominal amount of the increases in capital that may be made pursuant to this delegation shall be deducted from the caps on capital increases provided for in the *twelfth* to the *fifteenth resolutions* respectively and from the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution*, or, where applicable, from the amount of the caps provided for in resolutions of the same kind that may supersede said resolutions during the period of validity of this delegation;
3. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
4. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Seventeenth resolution

*(Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, shares and/or securities giving access to the capital of the Company, in consideration of in-kind contributions consisting of shares or securities giving access to the capital of other companies, except for share exchange offers initiated by the Company)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce*, and, in particular, Articles L. 225-129-2 and L. 225-147 paragraph 6 of said Code:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, its authority to decide, on the basis of a report by the capital contributions appraiser, on a capital increase, within the limit of 10% of the Company's capital (it being specified that this limit of 10% shall be assessed at any time whatsoever in relation to share capital as adjusted for any transactions that may affect it after this Shareholders' Meeting), in consideration for in-kind contributions made to the Company and consisting of equity securities or securities giving access to the capital of other companies, where the provisions of Article L. 225-148 of the French *Code de commerce* do not apply, by issuing, on one or more occasions, shares (excluding preference shares) and/or securities giving access, either now or in the future, to the Company's capital;
2. decides that the nominal amount of the increases in capital that may be made, either now or in the future, pursuant to this delegation (i) shall be deducted from the amount of the cap on capital increases provided for in the *thirteenth resolution* and from the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the caps provided for in resolutions of a similar nature that may supersede said resolutions during the period of validity of this delegation and (ii) shall not take into account the par value of shares to be issued to protect the rights of the holders of securities giving access to the capital, in accordance with the law and, where applicable, with any contractual stipulations providing for other cases of adjustment;
3. decides that the maximum nominal amount of debt securities on the Company issued pursuant to this resolution may not exceed €1.5 billion or the equivalent of this amount on the date the issue is decided on, it being specified that this amount shall be deducted from the amount of the overall cap on debt securities provided for in paragraph 4 of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the overall cap on debt securities that may be provided for in a resolution of a similar nature that may supersede said resolution during the period of validity of this delegation;
4. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this resolution, for the purpose, in particular, of:
  - deciding to increase the capital in consideration of the contributions and, where applicable, postponing any such increase,
  - drawing up a list of the securities contributed, approving the valuation of the contributions, setting the conditions for the issuing of securities in consideration of the contributions, as well as, where applicable, the amount of the balance to be paid, approving the granting of special benefits and, if the contributors agree, reducing the valuation of the contributions or the consideration of special benefits,
  - determining the nature, number and the characteristics of the securities to be issued in consideration for the contributions,
  - determining and making any adjustments designed to take into account the impact of the transactions on the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of shares free of charge, stock split or reverse stock split, the distribution of dividends, reserves or additional paid-in capital or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting all other terms and conditions making it possible, where applicable, to protect the rights of holders of securities giving access to the capital (including by means of adjustments in cash),
  - recording the completion of each capital increase and making the corresponding amendments to the by-laws,
  - voluntarily deducting the costs of capital increases from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required for the legal reserve from this amount,
  - generally, entering into all agreements, taking all steps and carrying out all formalities required for the issuing, listing and servicing of the shares issued pursuant to this delegation and the exercise of the attached rights;
5. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
6. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Eighteenth resolution

*(Delegation of authority to the Management Board to issue, with the cancellation of preferential subscription rights, shares in the Company and/or securities giving access to the capital of the Company, in the event of a share exchange offer initiated by the Company)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce*, and in particular Articles L. 225-129-2 and L. 225-148 of said Code:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, its authority to decide to issue shares (excluding preference shares) and/or securities giving access, either now or in the future, to the Company's capital (whether these are new or existing shares), in consideration of securities contributed to a share exchange offer initiated by the Company, in France or abroad, in accordance with local rules, for the shares of another company listed on one of the regulated markets referred to in Article L. 225-148 of the French *Code de commerce*, and decides to cancel, in favour of the holders of these securities, the preferential subscription rights of shareholders to these shares and/or securities to be issued;
2. decides that the nominal amount of increases in capital that may be made, either now or in the future, pursuant to this delegation may not exceed €35 million, it being specified that it shall be deducted from the amount of the cap on capital increases provided for in the *thirteenth resolution* and from the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the caps provided for in resolutions of a similar nature which may supersede said resolutions during the period of validity of this delegation. The par value of shares to be issued to protect the rights of the holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, shall be added to this cap where applicable;
3. decides that the maximum nominal amount of debt securities on the Company issued pursuant to this resolution may not exceed €1.5 billion or the equivalent of this amount on the date the issue is decided on, it being specified that this amount shall be deducted from the amount of the overall cap on debt securities provided for in paragraph 4 of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the overall cap on debt securities that may be provided for in a resolution of a similar nature that may supersede said resolution during the period of validity of this delegation;
4. acknowledges that this delegation entails the waiver by the shareholders of their preferential subscription rights to ordinary shares to which the securities that shall be issued on the basis of this delegation, could grant entitlement;
5. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this resolution and in particular:
  - to set the exchange ratio and, where applicable, the amount of the balance to be paid in cash,
  - to draw up a list of the securities contributed to the exchange,
  - to set the dates and conditions of the issue, in particular the price and the dividend entitlement date, possibly a retrospective date, of the new shares, and/or, where applicable, the securities giving access, either now or in the future, to the Company's capital,
  - to determine and make any adjustments designed to take into account the impact of the transactions on the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of shares free of charge, stock split or reverse stock split, the distribution of dividends, reserves or additional paid-in capital or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting all other terms and conditions making it possible, where applicable, to protect the rights of holders of securities giving access to the capital (including by means of adjustments in cash),
  - to deduct, at its sole discretion, the costs of the capital increases from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required for the legal reserve from this amount,
  - generally, to take all appropriate steps and enter into all agreements to complete the transaction authorized, record the resulting increase(s) in capital and amend the by-laws accordingly;
6. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
7. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Nineteenth resolution

*(Delegation of authority to the Management Board to issue shares in the Company subsequent to the issue of securities giving access to the Company's shares by the Company's Subsidiaries)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce*, and in particular Articles L. 225-129-2 and L. 228-93 of said Code:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, its authority to decide to issue the Company's shares to which the securities issued by a company or companies in which the Company owns directly or indirectly more than half of the share capital (the "Subsidiaries") shall grant entitlement;
2. acknowledges that these securities may only be issued by the Subsidiaries with the agreement of the Management Board of the Company and may, in accordance with Article L. 228-93 of the French *Code de commerce*, give access, either now or in the future, to the Company's shares and be issued on one or more occasions, in France, on foreign markets and/or on the international market, either in euros, in any other currency or in monetary units created with reference to several currencies;
3. decides that the nominal amount of increases in capital that may be made pursuant to this delegation may not exceed €35 million, it being specified that it shall be deducted from the amount of the cap on capital increases provided for in the *thirteenth resolution* and the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the caps provided for in resolutions of a similar nature which may replace said resolutions during the period of validity of this delegation, it being specified that the par value of ordinary shares to be issued to protect the rights of the holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, shall be added to this cap, where applicable;
4. decides that the sum paid as from the issue or that may subsequently be paid to the Company shall, for each ordinary share issued as a result of the issuing of the securities referred to in paragraph 1 above, be at least equal to the minimum provided for in the regulatory provisions applicable on the date of the issue (as of the date hereof, the weighted average share price during the three trading days preceding the setting of the subscription price of the securities referred to in paragraph 1. above, less a maximum discount of 5%), after correction, if applicable, of this amount to take the different dividend entitlement date into account;
5. acknowledges that the shareholders of the Company shall not have preferential subscription rights either to the securities referred to in paragraph 1. above issued by the Subsidiaries or to the ordinary shares in the Company to which these securities may grant entitlement;
6. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this resolution, in agreement with the boards of directors, management boards or other relevant management or administrative bodies of the Subsidiaries issuing the securities referred to in this resolution and in particular:
  - to set the amounts to be issued,
  - to determine the terms and conditions of issue and the class of securities to be issued,
  - to set the dividend entitlement date, which may even be a retrospective date, of the securities to be created,
  - to determine and make any adjustments designed to take into account the impact of the transactions on the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of shares free of charge, stock split or reverse stock split, the distribution of dividends, reserves or additional paid-in capital or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting all other terms and conditions making it possible, where applicable, to protect the rights of holders of securities giving access to the capital (including by means of adjustments in cash),
  - to take all appropriate steps and enter into all agreements and contracts to complete the planned issues, within the scope of applicable French and, where applicable, foreign laws and regulations, to record the resulting increase(s) in capital and amend the by-laws accordingly;
7. decides that this delegation shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
8. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Twentieth resolution

*(Delegation of authority to the Management Board to increase the share capital by capitalizing additional paid-in capital, reserves or profits)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report, and acting in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French *Code de commerce*:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, subject to the provisions of Article L. 233-32 of the French *Code de commerce*, its authority to decide to increase the share capital, on one or more occasions, in the proportions and at the times it shall consider appropriate, by capitalizing additional paid-in capital, reserves, profits or any other sums which may be capitalized under the law or the by-laws, to be carried out by issuing and allocating new equity securities free of charge or increasing the par value of existing equity securities or by using both these methods. The maximum nominal amount of increases in capital that may be made pursuant to this delegation may not exceed €70 million, it being specified that this amount shall be deducted from the amount of the overall cap on capital increases provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of any overall cap that may be provided for in a resolution of a similar nature which may supersede said resolution during the period of validity of this delegation;
2. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation, for the purpose, in particular, of:
  - setting the amount and the nature of the sums to be capitalized, setting the number of equity securities to be issued and/or the amount by which the par value of existing equity securities shall be increased, setting the date, which may even be a retrospective date, as from which the new equity securities shall bear rights or the date on which the increase in the par value of the equity securities shall come into effect,
  - deciding, in the event of the allocation of equity securities free of charge:
  - that fractional rights shall neither be tradable nor transferable and that the corresponding equity securities shall be sold, with the sums from this sale being allocated to the holders of rights under the conditions provided for in the applicable regulations,
  - that the shares that shall be allocated pursuant to this delegation on the basis of existing shares having double voting rights shall have this right as from the issue of said shares,
  - to make any adjustments designed to take into account the impact of the transactions on the Company's capital, in particular in the event of a change in the par value of the share, a capital increase by capitalizing reserves, the allocation of shares free of charge or equity securities, stock split or reverse stock split, the distribution of reserves or any other assets, the redemption of capital, or any other transaction involving the equity or the capital (including in the event of a takeover bid and/or a change in control), and setting the terms and conditions making it possible, where applicable, to protect the rights of holders of securities giving access to the capital,
  - to record the completion of each capital increase and amend the by-laws accordingly,
  - to charge, at its sole discretion, the costs of the increases in capital to one or more available reserve line items and, if it considers it appropriate, draw the sums required for the legal reserve from this amount,
  - generally, to enter into all agreements, taking all steps and carrying out all formalities required for the issuing, listing and servicing of the shares issued pursuant to this delegation and the exercising of the attached rights;
3. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
4. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Twenty-first resolution

*(Delegation of authority to the Management Board to issue securities with rights to debt securities which do not increase the capital of the Company)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6, L. 228-91 *et seq.* of the French *Code de commerce*:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, its authority to decide to issue, on one or more occasions, in France and/or abroad, in euros, in any other currency or in monetary units created with reference to several currencies, all securities granting the right to be allocated, now and/or in the future, debt securities governed by Articles L. 228-91 *et seq.* of the French *Code de commerce*, such as bonds, similar securities, subordinated securities with fixed or indefinite terms or any other securities granting, in the same issue, the same right of claim on the Company;
2. decides to set the maximum nominal amount of debt securities on the Company that may be issued within the scope of this delegation at €1.5 billion, the equivalent of this amount in foreign currencies or in all monetary units created with reference to several currencies, it being specified (i) that the amount of the issues of securities granting the right to be allocated debt securities whereby the primary security is an equity security shall be deducted from the amount of the overall cap provided for in paragraph 2. of the *twelfth resolution* of this Shareholders' Meeting or, where applicable, from the amount of any overall cap that may be provided for in a resolution of a similar nature which may supersede said resolution during the period of validity of this delegation, (ii) that the maximum nominal amount of debt securities that may be issued pursuant to this resolution is independent of the maximum authorized amount of debt securities which may be issued pursuant to the *twelfth* to the *eighteenth resolutions* submitted to this Shareholders' Meeting or, where applicable, from the amount of the caps provided for in resolutions of a similar nature which may supersede said resolutions during the period of validity of this delegation and (iii) that it shall be increased by any redemption premium above par;
3. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to:
  - make said issues within the limit set above, determine the date, nature, amounts and currency of the issue,
  - determine the characteristics of the securities to be issued and of the debt securities to which the securities shall grant the right to allocation, and in particular:
  - set their nominal value, dividend entitlement date, issue price and the amount of the premium which may, where applicable, be requested upon issue,
  - decide, where applicable, whether they are subordinated or not and their subordination ranking, in accordance with the provisions of Article L. 228-97 of the French *Code de commerce*,
  - set the interest rate thereof (in particular fixed and/or variable rate interest and zero coupon or indexed) or, for securities with a variable rate, the terms and conditions for the determination of said rate, the date of payment of said interest and the conditions under which interest may be capitalized,
  - set their term (fixed or indefinite) and the other terms and conditions of issue (including the fact of granting them guaranties or sureties), redemption and/or early repayment (including repayment by providing Company assets), where applicable with a fixed or variable premium, or redemption by the Company,
  - change, during the life of the securities involved and during the life of the debt securities to which they shall give the right to allocation, the characteristics referred to above, in accordance with the applicable formalities,
  - generally, to enter into all agreements, in particular to complete the planned issues, taking all steps and carrying out all formalities required for the issuing, listing and servicing of the shares issued pursuant to this delegation and the exercise of the attached rights;
4. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
5. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Twenty-second resolution

*(Delegation of authority to the Management Board to issue shares and/or securities giving access to the capital of the Company, reserved for members of savings schemes, with the cancellation of preferential subscription rights in their favour)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with (i) the provisions of Articles L. 225-129-2, L. 225-129-6, L. 225-138 I and II, L. 225-138-1, L. 228-91 and L. 228-92 of the French *Code de commerce*, and (ii) the provisions of Articles L. 3332-18 to L. 3332-24 of the French *Code du travail*, subject to the condition precedent of the adoption of the *twenty-third*, the *twenty-fourth* and the *twenty-fifth resolutions* submitted to this Shareholders' Meeting:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, its authority to decide to increase the share capital, on one or more occasions, by issuing shares and/or securities giving access to the Company's capital reserved for members of one or more company savings schemes (or any other savings scheme for whose members a capital increase may be reserved under similar conditions, pursuant to Articles L. 3332-18 to L. 3332-24 of the French *Code du travail*) set up, pursuant to Article L. 3344-1 of the French *Code du travail*, within the Company or a company or a group of companies, in France or abroad, within the consolidation scope of the Company, within the meaning of Article L. 233-16 of the French *Code de commerce* ("the Beneficiaries"), it being specified that this resolution may be used for the purpose of implementing leveraged arrangements;
2. decides that the maximum nominal amount of increases in capital that may be made, either now or in the future, pursuant to this delegation, may not exceed €9,400,000, it being specified that this amount (i) shall be deducted from the amount of the overall cap provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the overall cap provided for in a resolution of a similar nature which may supersede said resolution during the period of validity of this delegation, (ii) is set not taking into account the par value of shares to be issued to protect the rights of holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, and (iii) is an overall cap for all increases in capital that may be made pursuant to the *twenty-second*, *twenty-third* and *twenty-fourth resolutions* submitted to this Shareholders' Meeting;
3. decides that the issue price of the shares or the securities giving access to the Company's capital to be issued pursuant to this resolution shall be determined under the conditions provided for in Articles L. 3332-19 to L. 3332-23 of the French *Code du travail* and shall be at least equal to 80% of the Reference Price (as this expression is defined below), *i.e.* with a maximum discount of 20%; however, the Shareholders' Meeting expressly authorizes the Management Board to reduce or cancel the aforementioned discount (within statutory and regulatory limits), if it considers it appropriate, in particular in order to take into account, *inter alia*, the legal, accounting, tax and employment-related regulations applicable locally; for the purposes of this paragraph, the Reference Price refers to the average opening price of the Company shares listed on the regulated market of NYSE Euronext Paris during the 20 trading sessions preceding the decision by the Management Board setting the date of the start of the subscription period;
4. authorizes the Management Board to allocate, free of charge, to the Beneficiaries, in addition to the shares or securities giving access to the Company's capital that may be subscribed for in cash, shares or securities, whether already existing or to be issued, giving access to the Company's capital of a similar nature or not as those to be subscribed for in cash, to replace all or some of the discount as compared to the Reference Price and/or contributions paid by the employer, it being understood that the benefit resulting from this allocation free of charge may not exceed the statutory or regulatory limits that apply pursuant to Articles L. 3332-21 and L. 3332-11 of the French *Code du travail*, it being specified that the maximum nominal amount of the increases in capital that may be made, either now or in the future, due to the allocation of shares free of charge or securities giving access to capital to be issued, shall be deducted from the amount of the caps referred to in paragraph 2. above;
5. decides to cancel, in favour of the Beneficiaries, the preferential subscription rights of the shareholders to the shares and or securities giving access to the Company's capital that may be issued pursuant to this delegation, said shareholders furthermore waiving, in the event of the allocation to the Beneficiaries of shares and/or securities giving access to the Company's capital, any right to said shares and/or securities giving access to the Company's capital, including the portion of the reserves, profits or additional paid-in capital that have been capitalized, in respect of the allocation of said securities made on the basis of this resolution which entails the shareholders' waiver of their preferential rights to subscribe to the ordinary shares of the Company to which the securities issued on the basis of this delegation may grant entitlement;
6. authorizes the Management Board, under the conditions of this delegation, to sell the Company's shares to the Beneficiaries as provided for in Article L. 3332-24 of the French *Code du travail*, it being specified that sales of the Company's shares at a discount to the Beneficiaries shall be deducted, in the nominal amount of the Company's shares thus sold, from the nominal amount of the caps referred to in paragraph 2. above;



7. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation, within the limits and under the conditions specified above, for the purpose, in particular, of:
  - setting the amounts of the issues that shall be made pursuant to this resolution and in particular of setting the issue price, dates, time limits, procedures and conditions of subscription, paying up, delivery and ownership of the shares (even retrospectively), the rules for reductions applicable to cases of oversubscription as well as the other procedures and terms and conditions of issues, within the statutory or regulatory limits in force,
  - drawing up, subject to applicable law, a list of the companies in which the Beneficiaries may subscribe for shares or securities giving access to the Company's capital thus issued and benefit, where applicable, from the shares or securities giving access to the Company's capital allocated free of charge,
  - deciding that subscription may be made directly by the Beneficiaries, members of a company savings scheme, or through the intermediary of company savings funds or other structures or entities allowed by the applicable statutory or regulatory provisions,
  - determining the conditions, in particular length of service, which the Beneficiaries of the increases in capital must fulfil,
  - setting the dates for the start and the end of subscription periods,
  - in the event of the allocation of shares free of charge or securities giving access to the Company's capital, setting the nature, the characteristics and the number of shares or securities giving access to the Company's capital to be issued, the number to be allocated to each Beneficiary, and setting the dates, time limits, procedures and conditions of allocation of these shares or securities giving access to the Company's capital within the statutory and regulatory limits in force and, in particular, choosing either to replace, in whole or in part, the allocation free of charge of these shares or securities giving access to the capital with a discount as compared to the Reference Price provided for above or to deduct the equivalent of these shares or marketable securities of the Company from the total amount of the contribution paid by the employer, or to combine these two possibilities,
  - in the event of the issue of new Company shares, deducting, where applicable, from the reserves, profits or additional paid-in capital, the sums required to pay up said shares, recording the completion of the reserved increases in capital pursuant to this delegation, amending the by-laws accordingly and, generally, taking all necessary action and carrying out all necessary formalities,
  - recording the completion of the increases in capital by the amount of the shares or the securities giving access to the Company's capital which are actually subscribed for,
  - where applicable, deducting, at its sole discretion, the costs of the capital increase from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required to bring the legal reserve to one-tenth of the new capital resulting from these increases in capital from this amount,
  - entering into all agreements, carrying out, directly or indirectly through a representative, all transactions and formalities, including carrying out the formalities required after increases in capital and amending the by-laws accordingly,
  - generally, to enter into all agreements in particular to complete the planned issues, taking all steps and decisions and carrying out all formalities required for the issuing, listing and servicing of the securities issued pursuant to this delegation and the exercise of the rights that are attached to or follow the increases in capital carried out;
8. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
9. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.

## Twenty-third resolution

*(Delegation of authority to the Management Board to issue shares and/or securities giving access to the capital of the Company, reserved for employees of Vallourec companies outside France (and those with similar rights in accordance with Article L. 3332-2 of the French Code du travail) excluding company savings schemes, with the cancellation of preferential subscription rights in their favour)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce* and, in particular, Articles L. 225-129-2, L. 225-138, L. 228-91 and L. 228-92 of the French *Code de commerce*, under the condition precedent of the adoption of the

*twenty-second, the twenty-fourth and the twenty-fifth resolutions* submitted to this Shareholders' Meeting:

1. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, its authority to decide to increase the share capital, on one or more occasions, by issuing shares and/or marketable securities giving access to the Company's capital, reserved for the category of individuals consisting of employees and beneficiaries and similar parties



within the meaning of Article L. 3332-2 of the French *Code du travail*, of Group companies having their registered office located outside France and company savings funds through which they invest, with the Group consisting of the Company and companies in France or abroad within the consolidation scope of the Company, within the meaning of Article L. 233-16 of the French *Code de commerce* (the "Beneficiaries"), it being specified that this resolution may be used for the purpose of implementing leveraged arrangements;

2. decides that the maximum nominal amount of the increases in capital that may be made, either now or in the future, pursuant to this delegation, may not exceed €9,400,000, it being specified that this amount (i) shall be deducted from the amount of the overall cap provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the overall cap provided for in any resolution of a similar nature that may supersede said resolution during the period of validity of this delegation, (ii) has been set not taking into account the par value of the shares to be issued to protect the rights of holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, and (iii) is an overall cap for all increases in capital that may be made pursuant to the *twenty-second*, *twenty-third* and *twenty-fourth resolutions* submitted to this Shareholders' Meeting;
3. decides that this delegation of authority may only be used for the purposes of an employee share ownership offering that, furthermore, also results in the use of the delegation granted pursuant to the *twenty-second resolution* submitted to this Shareholders' Meeting and provided (i) that the Beneficiaries who benefit, directly or through the intermediary of a company savings fund, from a capital increase carried out pursuant to this resolution are subject to a mandatory holding period of a length that is at least the equivalent of that that is applicable within the scope of the capital increase and/or of the sale of shares carried out within the scope of the *twenty-second resolution* and (ii) that the subscription of the Beneficiaries (including any leverage effect) is limited to a maximum amount of 100%;
4. decides that the issue price of the shares or marketable securities giving access to the Company's capital to be issued pursuant to this delegation shall be set by the Management Board on the basis of the price of the Company's share on the regulated market of NYSE Euronext Paris; this price shall be equal to the average opening price of the Company's shares listed on the regulated market of NYSE Euronext Paris during the 20 trading sessions preceding the decision by the Management Board setting the opening date of subscription to the corresponding capital increase and/or share offering carried out pursuant to the *twenty-second resolution* submitted to this Shareholders' Meeting, reduced by a maximum discount of 20%. The Shareholders' Meeting expressly authorizes the Management Board to reduce or cancel the aforementioned discount (within the statutory and regulatory limits), if it considers it appropriate, in particular in order to take into account, *inter alia*, the legal, accounting, tax and employment-related regulations applicable locally;
5. decides to cancel, in favour of the category of Beneficiaries, the preferential subscription rights of the shareholders to the shares and securities giving access to the Company's capital

that may be issued pursuant to this resolution, which entails the shareholders' waiver of their preferential subscription rights to ordinary Company shares to which the securities issued on the basis of this delegation may grant entitlement;

6. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation, within the limits and under the conditions specified above, for the purpose, in particular, of:
  - setting the amounts of the issues that will be carried out pursuant to this delegation and, in particular, setting the issue price, dates, time limits, procedures and conditions of subscription, of paying up, delivery and entitlement to dividends in respect of the shares (even retrospectively), as well as the other procedures and conditions of the issues, within the statutory and regulatory limits in force,
  - drawing up the list of the beneficiary or beneficiaries of the cancellation of the preferential subscription rights among the Beneficiaries, as well as the number of shares or securities giving access to the Company's capital to be subscribed by each of them,
  - determining the conditions, in particular the length of service, that the Beneficiaries of the increases in capital will have to meet, and setting the maximum percentage of the gross annual remuneration that the beneficiaries will be authorized to subscribe within the limits authorized by this Shareholders' Meeting.
  - setting the opening and closing dates of the subscription periods,
  - recording the completion of the capital increase, amending the by-laws accordingly, carrying out, directly or through a representative, all transactions and formalities related to the increases in share capital,
  - entering into all agreements, carrying out, directly or indirectly through a representative, all transactions and formalities, including carrying out the formalities required after increases in capital and amending the by-laws accordingly,
  - where applicable, deducting, at its sole discretion, the costs of the capital increase from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required to bring the legal reserve to one-tenth of the new amount of capital resulting from these increases in capital from this amount,
  - generally, entering into all agreements in particular to complete the planned issues, taking all steps and decisions and carrying out all formalities required for the issuing, listing and servicing of the securities issued pursuant to this delegation and the exercise of the rights that are attached to or follow the increases in capital carried out;
7. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of eighteen (18) months as from this Shareholders' Meeting;
8. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.



## Twenty-fourth resolution

*(Delegation of authority to the Management Board to issue shares and/or securities giving access to the capital of the Company, reserved for credit institutions or any entity, whether or not incorporated as a legal entity, whose sole object is to subscribe for, hold and sell the Company's shares or other financial instruments within the scope of an operation reserved for employees, with the cancellation of preferential subscription rights)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report and acting in accordance with the provisions of Articles L. 225-129 *et seq.* of the French *Code de commerce* and in particular Articles L. 225-129-2, L. 225-138, L. 228-91 and L. 228-92 of the French *Code de commerce*, under the condition precedent of the adoption of the *twenty-second*, the *twenty-third* and the *twenty-fifth resolutions* submitted to this Shareholders' Meeting:

1. acknowledges the fact that, in some countries, legal or tax-related problems or uncertainties may complicate or make uncertain the implementation of employee share ownership schemes carried out directly or through the intermediary of a mutual investment fund (with the eligible beneficiaries of Group companies having their registered offices located in one of these countries being referred to hereinafter as "Employees outside France", with the Group consisting of the Company and companies in France or abroad within the consolidation scope of the Company within the meaning of Article L. 233-16 of the French *Code de commerce*) and that the implementation in favour of some Employees outside France of alternative arrangements to those offered to employees of French Group companies who are members of a company savings scheme may prove desirable;
2. delegates to the Management Board, with the power to sub-delegate under the conditions laid down by law, its authority to decide to increase the share capital, on one or more occasions, by issuing shares and/or securities giving access to the Company's capital, reserved for the category of legal entities consisting of credit institutions, acting at the Company's request, in order to offer all or some of the Employees outside France, arrangements (whether or not comprising a shareholding component) that are an alternative to the structured offering of shares or securities giving access to the Company's capital offered to the employees of French Group companies who are members of a company savings scheme, all the entities controlled by said institutions within the meaning of Article L. 233-3 of the French *Code de commerce* and any entity, whether or not incorporated as a legal entity whose sole object is to subscribing for, hold and sell the Company's shares or other financial instruments within the scope of the implementation of the offer to all or some Employees outside France, it being specified that this resolution may be used for the purpose of implementing leveraged arrangements;
3. decides that the maximum nominal amount of the increases in capital that may be made, either now or in the future, pursuant to this delegation, may not exceed €9,400,000, it being specified that this amount (i) shall be deducted from the amount of the overall cap provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the overall cap provided for in any resolution of a similar nature that may supersede said resolution during the period of validity of this delegation, (ii) has been set not taking into account the par value of the shares to be issued to protect the rights of holders of securities giving access to the capital, in accordance with the law and, where applicable, with contractual stipulations providing for other cases of adjustment, and (iii) is an overall cap for all increases in capital that may be made pursuant to the *twenty-second*, *twenty-third* and *twenty-fourth resolutions* submitted to this Shareholders' Meeting;
4. decides that this delegation of authority may only be used for the purposes of an employee share ownership offering that, furthermore, also results in the use of the delegation granted pursuant to the *twenty-second resolution* and/or the *twenty-third resolution* submitted to this Shareholders' Meeting and solely for the purpose of meeting the objective set out in paragraph 1 of this resolution;
5. decides that the issue price of the shares or securities giving access to the Company's capital to be issued pursuant to this delegation shall be set by the Management Board on the basis of the price of the Company's share on the regulated market of NYSE Euronext Paris; this price shall be equal to the average opening price of the Company's shares listed on the regulated market of NYSE Euronext Paris during the 20 trading sessions preceding the decision by the Management Board setting the opening date of the period of subscription to the corresponding capital increase and/or to the corresponding share offering carried out pursuant to the *twenty-second resolution* submitted to this Shareholders' Meeting, reduced by a maximum discount of 20%. The Shareholders' Meeting expressly authorizes the Management Board to reduce or cancel the aforementioned discount (within the statutory and regulatory limits), if it considers it appropriate, in particular in order to take into account, *inter alia*, the legal, accounting, tax and employment-related regulations applicable locally;
6. decides to cancel, in favour of the aforementioned category of Beneficiaries, the preferential subscription rights of the shareholders to the shares and securities giving access to the Company's capital that may be issued pursuant to this resolution, which entails the shareholders' waiver of their preferential subscription rights for ordinary Company shares to which the securities issued on the basis of this delegation may grant entitlement;
7. decides that the Management Board shall have all powers, with the power to sub-delegate under the conditions laid down by law, to implement this delegation, within the limits and under the conditions specified above, for the purpose, in particular, of:



- setting the amounts of the issues that will be carried out pursuant to this delegation and, in particular, setting the issue price, dates, time limits, procedures and conditions of subscription, paying up, delivery and entitlement to dividends in respect of shares (even retrospectively), as well as the other procedures and conditions of the issues, within the statutory and regulatory limits in force,
  - drawing up the list of the beneficiary or beneficiaries of the cancellation of the preferential subscription rights within the aforementioned category, as well as the number of shares or securities giving access to the Company's capital to be subscribed by each of them,
  - setting the opening and closing dates of the subscription periods,
  - recording the completion of the capital increase, amending the by-laws accordingly, carrying out, directly or through a representative, all transactions and formalities related to the increases in share capital,
  - entering into all agreements, carrying out, directly or indirectly through a representative, all transactions and formalities, including carrying out the formalities required after increases in capital and amending the by-laws accordingly,
  - where applicable, voluntarily deducting the costs of the capital increase from the amount of the related additional paid-in capital and, if it considers it appropriate, drawing the sums required to bring the legal reserve to one-tenth of the new capital resulting from these increases in capital from this amount,
  - generally, entering into all agreements in particular to complete the planned issues, taking all steps and decisions and carrying out all formalities required for the issuing, listing and servicing of the securities issued pursuant to this delegation and the exercise of the rights that are attached to or follow the increases in capital carried out;
8. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of eighteen (18) months as from this Shareholders' Meeting;
  9. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting, in accordance with the law and with the regulations, on the use made of the authorizations granted in this resolution.

## Twenty-fifth resolution

*(Authorization for the Management Board to allocate existing shares free of charge or to issue new shares to subscribers to an employee share ownership offering implemented within Group companies located outside France, or to some of them, pursuant to the twenty-second resolution and/or the twenty-third resolution)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French *Code de commerce*, under the condition precedent of the adoption of the *twenty-second*, the *twenty-third* and the *twenty-fourth resolutions* submitted to this Shareholders' Meeting:

1. authorizes the Management Board, within the scope of the provisions of Articles L. 225-197-1 *et seq.* of the French *Code de commerce*, subject to prior authorization by the Supervisory Board, to allocate, on one or more occasions, free shares, whether already existing or to be issued (excluding preference shares), to the subscribers to an employee share ownership offering implemented pursuant to the *twenty-second resolution* and/or the *twenty-third resolution* of this Shareholders' Meeting within companies or groupings that are affiliated with the Company under the conditions provided for in Article L. 225-197-2 of said Code, whose registered offices are located outside France, or some categories thereof, under the conditions set forth below;
2. decides that the shares, whether already existing or to be issued, allocated pursuant to this authorization may not represent more than 0.3% of the Company's share capital

on the date the Management Board decided to make the allocation, increased by the number of shares allocated in respect of adjustments intended to protect the rights of beneficiaries of allocations of shares free of charge in the event of transactions involving the Company's capital or equity. It is specified that the maximum nominal amount of increases in capital that may be made, either now or in the future, pursuant to this delegation shall be deducted from the amount of the overall cap provided for in paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the overall cap provided for in any resolution of a similar nature that may supersede said resolution during the period of validity of this delegation;

3. decides that (i) the beneficiaries shall not finally acquire said shares until the end of a minimum period of four years following the Management Board's decision to make the allocation, except in the case of beneficiaries suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la sécurité sociale*, in which case the shares shall be acquired immediately, and (ii) in this case, the beneficiaries shall not be required to comply with any holding period. However, in order to take into account the legal and tax regulations applicable in some countries, the Management Board may depart from this rule and decide that, for one or more categories of beneficiaries, the acquisition period for



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the shares shall be at least two years, except in the case of beneficiaries suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la sécurité sociale*, in which case the shares shall be acquired immediately, and the beneficiaries shall be required to hold the shares for at least two years;

4. decides that this delegation of authority may only be used for the purposes of an employee share ownership offering carried out pursuant to the *twenty-second resolution* and/ or the *twenty-third resolution* submitted to this Shareholders' Meeting with a view to the allocation of Company shares free of charge to the individuals who took part in this operation;
5. grants all powers to the Management Board for the purpose of implementing this authorization and for the purpose, in particular, of:
  - determining whether the shares allocated free of charge shall be existing shares or shares to be issued,
  - determining the identity of the beneficiaries, or of the category or categories of beneficiaries, of the allocations of shares who will be subscribers to an employee share ownership offering implemented pursuant to the *twenty-second resolution* and/ or the *twenty-third resolution* of this Shareholders' Meeting within companies or groupings affiliated to the Company within the terms of Article L. 225-197-2 of the French *Code de commerce* and whose registered offices are located outside France, and the number of shares allocated to each of them,
  - setting the conditions and, where applicable, the criteria for the allocation of shares, in particular the minimum acquisition period of each beneficiary and, where applicable, the minimum period for holding the shares, under the conditions provided for above, it being specified that, as regards shares granted free of charge to Corporate Officers, the Supervisory Board shall either (a) decide that the shares granted free of charge may not be sold prior to the termination of their duties, or (b) set the quantity of shares granted free of charge that they are required to hold as registered shares until the termination of their duties,
  - providing for the possibility of provisionally suspending allocation rights,
  - recording the dates shares are acquired and the dates as from which the shares may be freely sold, taking legal restrictions in particular into account,
  - registering the shares granted free of charge on an account in the name of their holders, including, the mandatory holding period and the length of this period, and cancellation of the mandatory holding period in any circumstances in which the applicable regulations allow such cancellation,
  - where applicable, making any adjustments to the number of shares allocated free of charge required to protect the rights of the beneficiaries of allocations of free shares that have not yet been definitively determined, in relation to transactions involving the Company's capital or equity, in particular in the event of a change in the par value of the share, a capital increase by capitalizing the reserves, the allocation of shares, the issuing of new equity securities with preferential subscription rights, stock split or reverse stock split, the distribution of reserves, additional paid-in capital or any other assets, the redemption of capital, any change in the allocation of profits by creating preference shares or any other transaction involving the equity. It is specified that the shares allocated pursuant to these adjustments shall be deemed to have been allocated on the same date as the shares initially allocated,
  - in the event new shares are issued, deducting, where applicable, from the reserves, profits or additional paid-in capital, the sums required to pay up said shares, recording the completion of the increases in capital carried out pursuant to this resolution, amending the by-laws accordingly and, generally, taking all action and carrying out all formalities required for the listing and servicing of the securities issued pursuant to this delegation;
6. records that, in the event new shares are allocated, this authorization shall entail, as and when the shares are finally acquired a capital increase by capitalizing reserves, profits or additional paid-in capital in favour of the beneficiaries of said shares and the corresponding waiver by the shareholders, in favour of the beneficiaries of said shares, of their preferential subscription rights to said shares and to the part of the reserves, profits or additional paid-in capital that will be capitalized pursuant to this allocation;
7. acknowledges that the subject of this authorization is different from the authorization that is the subject of the *twenty-sixth resolution* submitted to this Shareholders' Meeting, such that the adoption of the *twenty-sixth resolution* that follows shall have no effect on this resolution and that, subject to the adoption thereof, the *twenty-fifth* and *twenty-sixth resolutions* submitted to this Shareholders' Meeting shall both exist, each being in force independently of the other until it expires or is replaced;
8. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting;
9. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting on the operations carried out pursuant to the provisions provided for in Articles L. 225-197-1 to L. 225-197-3 of the French *Code de commerce*, under the conditions provided for in Article L. 225-197-4 of said Code.



## Twenty-sixth resolution

*(Authorization for the Management Board to allocate existing performance shares, or to issue new shares to eligible Group employees and Corporate Officers, or to some of them)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with Articles L. 225-197-1 *et seq.* of the French *Code de commerce*:

1. authorizes the Management Board, under the terms of the provisions of Articles L. 225-197-1 *et seq.* of the French *Code de commerce*, subject to the prior authorization of the Supervisory Board, to allocate, on one or more occasions, ordinary Company shares, whether already existing or to be issued, to the beneficiaries that it shall determine among the employees, or some categories of employees, of the Company, companies or groupings affiliated with the Company under the conditions defined in Article L. 225-197-2 of said Code, as well as Corporate Officers, or some categories of Corporate Officers, of the Company, companies or groupings affiliated with the Company and who meet the conditions referred to in Article L. 225-197-1, II of said Code, under the following conditions;
2. decides that the shares, whether already existing or to be issued pursuant to this authorization, may not represent more than 1% of the Company's share capital on the date of the Management Board's decision to make the allocation, increased by the number of shares allocated in respect of adjustments intended to protect the rights of beneficiaries of allocations of shares in the event of transactions involving the Company's capital or equity. It is specified that (i) the shares allocated pursuant to this resolution shall be deducted from the share subscription or share purchase option cap provided for in the *twenty-first resolution* adopted by the Shareholders' Meeting of 4 June 2009 or, where applicable, from the cap provided for by a resolution of a similar nature that may supersede said resolution during the period of validity of this delegation and (ii) the nominal amount of increases in capital that may be made, either now or in the future, pursuant to this delegation of authority shall be deducted from the amount of the overall cap provided for by paragraph 2. of the *twelfth resolution* submitted to this Shareholders' Meeting or, where applicable, from the amount of the cap provided for by a resolution of a similar nature that may supersede said resolution during the period of validity of this delegation of authority;
3. decides that (i) the beneficiaries shall not acquire said shares until the end of a minimum period of two years following the Management Board's decision to make the allocation, except in the case of beneficiaries suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la sécurité sociale*, in which case the shares shall be acquired immediately, and (ii) the period during which the beneficiaries will be obliged to retain the Company's shares shall be a minimum of two years as from the acquisition of said shares, unless the beneficiary is disabled and this disability falls within the aforementioned categories of the French *Code de la sécurité sociale*, in which case the shares may be sold immediately;
4. decides that, as an exception to the principle laid down in point 3 above:
  - 4.1 the Management Board may, to take into account the legal and tax regulations applicable in some countries, decide that (i) the beneficiaries, employees or Corporate Officers of Group companies whose registered offices are located outside France shall not finally acquire their shares until the end of a period of four years following the Management Board's decision to allocate the shares, except in the case of beneficiaries suffering from a category 2 or 3 disability as specified in Article L. 341-4 of the French *Code de la sécurité sociale*, in which case the shares shall be acquired immediately, and (ii) the beneficiaries who are employees or Corporate Officers of Group companies whose registered offices are located outside France shall not then be subject to any obligation to hold the Company's shares for a certain period of time and the shares may be freely sold as from their final allocation,
  - 4.2 the Management Board may offer beneficiaries engaged in paid employment in several States during the first two years of the share acquisition period, the opportunity of opting, before the end of a period of two years as from the allocation of the shares, either (i) an acquisition period of two years and an obligation to retain the shares for an additional two years or (ii) an acquisition period of four years without any obligation to retain the shares,
  - 4.3 as regards performance shares allocated to members of the Management Board, the Supervisory Board shall either (i) decide that the performance shares allocated may not be sold by the individuals involved prior to the termination of their duties, or (ii) set the quantity of performance shares allocated that they are required to keep as registered shares until the termination of their duties;
5. decides that the final acquisition of performance shares shall be subject to conditions of performance of the Group assessed over two consecutive financial years and to the condition that the beneficiaries continue to be employed within the Group for a minimum of two years as from the date on which the performance shares are allocated;
6. decides that existing shares or shares newly allocated pursuant to this authorization may be allocated to Management Board members under the following conditions:
  - the vesting of the performance shares will be conditional on the member continuing to be employed within the Group for two years as from the allocation date and meeting the quantified performance criteria,



## DRAFT RESOLUTIONS FOR THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 7 JUNE 2011

- performance will be assessed over two consecutive financial years and measured on the basis of the following three quantified criteria:
  - the growth rate of consolidated sales,
  - the consolidated EBITDA/sales ratio, and
  - a performance criterion, which may be financial (e.g. share price performance or cost reduction) or societal (e.g. concerning environment or safety matters), laid down by the Supervisory Board and measured by a relevant index,
- the meeting of the performance criteria will determine 100% of the number of performance shares allocated;
- 7. grants all powers to the Management Board for the purpose of implementing this authorization and for the purpose, in particular, of:
  - determining whether the shares allocated shall be existing shares or shares to be issued,
  - determining the identity of the beneficiaries, or of the category or categories of beneficiaries, the allocations of shares among the employees and Corporate Officers of the Company or the aforementioned companies or groupings and the number of shares allocated to each of them,
  - setting the conditions and, where applicable, the criteria for the allocation of shares, in particular the minimum acquisition period of each beneficiary and, under the conditions provided for above, the performance conditions, it being specified that, as regards shares granted to Corporate Officers, the Supervisory Board shall either (a) decide that the shares allocated may not be sold by the individuals involved prior to the termination of their duties, or (b) set the quantity of shares allocated that they are required to keep as registered shares until the termination of their duties,
  - providing for the possibility of provisionally suspending allocation rights,
  - recording the dates of final acquisition and the dates as from which the shares may be freely sold, taking legal restrictions into account,
  - registering the shares granted free of charge on an account in the name of their holders, including, where applicable, the mandatory holding period and the length of this period, and cancellation of the mandatory holding period in any circumstances in which the applicable regulations allow such cancellation,
  - where applicable, making any adjustments to the number of shares allocated required to protect the rights of the beneficiaries of allocations of shares that have not yet been definitively determined, in relation to any transactions involving the Company's capital or equity, in particular in the event of a change in the par value of the share, a capital increase by capitalizing the reserves, the allocation of shares free of charge, the issuing of new equity securities with preferential subscription rights, stock split or reverse stock split, the distribution of reserves, additional paid-in capital or any other assets, the redemption of capital, any change in the allocation of profits by creating preference shares or any other transaction involving the equity. It is specified that the shares allocated pursuant to these adjustments shall be deemed to have been allocated on the same date as the shares initially allocated,
- in the event new shares are issued, deducting, where applicable, from the reserves, profits or additional paid-in capital, the sums required to pay up said shares, recording the completion of the increases in capital carried out pursuant to this resolution, amending the by-laws accordingly and, generally, taking all action and carrying out all formalities required for the listing and servicing of the securities issued pursuant to this delegation;
- 8. records that, in the event new shares are acquired, this authorization shall entail, as and when the allocation of said shares becomes final, a capital increase by capitalizing reserves, profits or additional paid-in capital in favour of the beneficiaries of said shares and the corresponding waiver by the shareholders, in favour of the beneficiaries of said shares, of their preferential subscription rights to said shares and to the part of the reserves, profits or additional paid-in capital that will be capitalized pursuant to this allocation;
- 9. acknowledges that the subject of this authorization is different from the authorization that is the subject of the *twenty-fifth resolution* submitted to this Shareholders' Meeting, such that the adoption of this resolution shall have no effect on the *twenty-fifth resolution* submitted to this Shareholders' Meeting and that, subject to the adoption thereof, the *twenty-fifth* and *twenty-sixth resolutions* submitted to this Shareholders' Meeting shall both exist, each being in force independently of the other until it expires or is replaced;
- 10. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of thirty-eight (38) months as from this Shareholders' Meeting;
- 11. acknowledges the fact that, if the Management Board uses this delegation of authority, the Management Board shall report to the next Ordinary Shareholders' Meeting on the operations carried out pursuant to the provisions provided for in Articles L. 225-197-1 to L. 225-197-3 of the French *Code de commerce*, under the conditions provided for in Article L. 225-197-4 of said Code.



## Twenty-seventh resolution

*(Authorization for the Management Board to decrease the share capital by cancelling own shares)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report and the Statutory Auditors' special report, and acting in accordance with Article L. 225-209 of the French *Code de commerce*:

1. authorizes the Management Board to reduce the share capital, on one or more occasions, in the proportions and at the times it shall consider appropriate, by cancelling any quantity of shares it shall decide, acquired under the terms of any authorization given by the Ordinary Shareholders' Meeting in accordance with Article L. 225-209 of the French *Code de commerce*, within the limits authorized by law, in accordance with the provisions of Articles L. 225-209 *et seq.* and L. 225-213 of the French *Code de commerce*;
2. decides that the maximum number of shares that may be cancelled by the Company pursuant to this delegation, during a period of 24 months, shall be 10% of the shares comprising the Company's capital at any time whatsoever. This limit shall

apply to an amount of the Company's capital that, where applicable, shall be adjusted to take into account operations affecting the share capital after this Shareholders' Meeting;

3. grants all powers to the Management Board, with the power to sub-delegate under the conditions laid down by law, to carry out the operation(s) involving cancelling and reducing the capital that may be carried out pursuant to this authorization, to deduct the difference between the book value of the cancelled ordinary shares and their par value from any reserve line items and available additional paid-in capital, amend the by-laws accordingly, carry out all formalities, take all steps and lodge all declarations to all bodies and, generally, do whatever may be necessary;
4. decides that this delegation, which cancels and replaces any previous authorization of a similar nature as regards amounts so far unused, shall be valid for a term of twenty-six (26) months as from this Shareholders' Meeting.

## Twenty-eighth resolution

*(Amendment of by-laws regarding the length of the term of office for Supervisory Board members)*

The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report,

- decides to set, in the Company by-laws, the term of office of members of Supervisory Board at four (4) years and, as an exception, where a member of the Supervisory Board is over the age of 70, at two (2) years; and
- decides, therefore, to amend:
  - Article 10 "Supervisory Board", paragraph 1, "Composition", subparagraph 1, as follows:

*"The Supervisory Board shall consist of at least three and no more than 12 members. The term of office of members of the Supervisory Board is four years. They shall be eligible for re-election. The members of the Supervisory Board shall be appointed, and their terms of office renewed, by the Ordinary Shareholders' Meeting."*
  - Article 10 "Supervisory Board", paragraph 1, "Composition", subparagraph 3 as follows:

*"Where a member of the Supervisory Board passes the age of 70, he shall remain a member of the Board until the normal expiry of his term of office. He may then be re-elected once, for a term of two years. The application of these provisions may not however result in the number of members of the Supervisory Board aged over 70 exceeding one-third of the total members of the Supervisory Board (individuals or representatives of corporate bodies)."*

- acknowledges, subject to the adoption of the *twenty-ninth resolution* below, that the other subparagraph 2 and 4 of Article 10 "Supervisory Board", paragraph 1, "Composition" shall remain unchanged;
- grants all powers to the Management Board, including the power to delegate under the conditions laid down by law, to carry out all acts and formalities and make all declarations, any filings and, more generally, take all appropriate measures with a view to implementing the aforementioned amendments to the by-laws.



## Twenty-ninth resolution

*(Amendment of by-laws relating to the representation of employee shareholders on the Supervisory Board)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Extraordinary Shareholders' Meetings, having examined the Management Board's report,

- decides to introduce the mandatory representation of employee shareholders on the Supervisory Board into the Company's by-laws;
- decides, therefore, to amend:
- Article 10 "Supervisory Board", paragraph 1, "Composition", adding, after subparagraph 1, a new subparagraph reading as follows:

*"The members of the Supervisory Board are appointed by the Ordinary Shareholders' Meeting and their terms of office are renewed by it. One of the members of the Supervisory Board shall be appointed, on the recommendation of the Supervisory Board, from among the members of the Supervisory Board(s) or of a company saving fund or funds, governed by Article L. 214-40 of the French Code monétaire et financier, representing the employee shareholders. He shall be subject to all the statutory and regulatory provisions applicable to the members of the Supervisory Board. However, his term of office shall expire automatically and the member of the Supervisory*

*Board representing the employee shareholders shall be deemed to have resigned in the event he ceases to be (i) an employee of the Company, a company or economic interest group affiliated with the Company within the meaning of Article L. 225-180 of the French Code de commerce or (ii) a member of the Supervisory Board of a company mutual investment fund governed by Article L. 214-40 of the French Code monétaire et financier, representing the employee shareholders or (iii) a holder of units in a company mutual investment fund, governed by Article L. 214-40 of the French Code monétaire et financier. Until the date of his replacement, the Supervisory Board shall be able to meet and deliberate validly."*

- acknowledges, subject to the adoption of the *twenty-eighth resolution* above, that the other subparagraph of Article 10, "Supervisory Board", paragraph 1, "Composition", shall remain unchanged;
- grants all powers to the Management Board, including the power to delegate as provided by law, to carry out all acts and formalities and make all declarations, any filings and, more generally, take all appropriate measures with a view to implementing the aforementioned amendments to the by-laws.

## Thirtieth resolution

*(Powers for formalities)*

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The Shareholders' Meeting, acting in accordance with the quorum and majority criteria required for Ordinary Shareholders' Meetings, grants all powers to the bearer of an original, a copy or an excerpt

from the minutes of this Shareholders' Meeting to carry out all publication and filing formalities, and generally do whatever may be necessary.







# REQUEST FOR DOCUMENTS AND INFORMATION

(Covered by Article R. 225-83 of the French Code de commerce)



A French limited liability Company with Management and Supervisory Boards and capital of €235,888,164  
Registered office: 27, avenue du Général Leclerc,  
92100 Boulogne-Billancourt, France  
RCS Nanterre 552 142 200

## Ordinary and Extraordinary Shareholders' Meeting

of 7 June 2011

I, the undersigned

Surname and first name (or company name): .....

Address: .....

Email or telephone: .....

Owner of: ..... registered shares and/or ..... bearer shares recorded in registered accounts in bank/authorized intermediary

(named)<sup>(1)</sup> .....

Acknowledge receipt of the documents related to the Ordinary and Extraordinary Shareholders' Meeting of 7 June 2011 and covered by Article R. 225-81 of the French Code de commerce,

Wish to receive, free of charge, the documents and information<sup>(2)</sup> covered by Article R. 225-83 of the French Code de commerce concerning the Vallourec Ordinary and Extraordinary Shareholders' Meeting of 7 June 2011.

Signed (place) ....., (date) ..... 2011

Signature

(1) Attach a certificate of registration of shares in the bearer securities accounts maintained by your authorized intermediary.

(2) The documents and information referred to above are available on the Vallourec website ([www.vallourec.com](http://www.vallourec.com) – Heading Finance, Shareholder corner).

When completed, this form should be returned either by mail for the attention of the Investor Relations and Financial Communication department to the Company's address referred to above or by fax (+33 (0)1 49 09 39 76).

**NB:** In accordance with Article R. 225-88 of the French Code de commerce, holders of registered shares may make a single request for the Company to send documents and information covered by Articles R. 225-81 and R. 225-83 of the French Code de commerce for each subsequent Shareholders' Meeting. This option is also available to holders of bearer shares provided that they send with their request a certificate of registration of shares in bearer securities accounts maintained by an authorized intermediary.

