



Societas Europaea (SE) with an issued share capital of € 4,115,912.40  
Registered office: 146 boulevard de Finlande, Z.I. Pompey Industries, 54340 Pompey (France)  
Nancy Companies Register number: B 409 983 897 - Siret number : 409 983 897 00029  
Website: [www.globalgraphics.com](http://www.globalgraphics.com)

## **Report of the Board of Directors to the ordinary and extraordinary meeting of the Company's shareholders scheduled on 18 October 2013**

In accordance with applicable provisions of the French Commercial Code and of the articles of association of Global Graphics SE (the "**Company**"), an ordinary and extraordinary meeting of the Company's shareholders is convened for them to:

- vote on the cancellation of the double voting right attached to those ordinary shares of the Company which have been held in nominative form in the name of the same shareholder for a minimum of two years;
- vote on the proposed transfer of the registered office of the Company to the UK (the "**Proposed Transfer**") subject to the cancellation of the double voting right attached to the Company's shares and the total number of shares requested to be repurchased by the Company's shareholders being less than the numbers indicated thereafter;
- approve the new statutes of the Company, which will come into effect after the Company has been registered in the UK; and
- take any decisions which are required to ensure continuity of the Company's operations after the Company is registered in the UK, notably to appoint the new members of the Company's Board of Directors and its new statutory auditor.

### **Note 1: Overview and rationale of the Proposed Transfer**

The Proposed Transfer comprises part of the Company's ongoing reorganisation, which is intended: (i) to simplify the Company's organisation; (ii) to reduce costs which result from the current organisation (notably through the winding up of those entities not having any operational activity); and (iii) to combine activities in those countries where the Company still has operational entities (which has no longer been the case in France since May 2002 when the Company's Hardware division was disposed of).

Cost savings arising from the Proposed Transfer are expected to amount to approximately € 0.3 million per year from the effective date of the Proposed Transfer.

### **Note 2: Key aspects of the Proposed Transfer procedure**

#### **Note 2a: Legal regime governing the Proposed Transfer**

Note 2a (i): Conversion of the Company into a European Company (SE)

In accordance with the provisions of article 8 §1 of Council Regulation (EC) No. 2157/2001 of 8 October 2011 on the statute for a European company (the "**SE Regulation**"), the registered office of an SE may be transferred from one Member State of the European Union ("EU") to another Member State of the EU, and any such transfer does not result in the winding up of that company, or the creation of a new legal person.

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Pursuant to the outcome of a resolution of the Company's shareholders passed on 7 June 2013, the Company was converted into an SE, whilst maintaining its registration in France.

Accordingly, the Company may transfer its registered office to the UK as provided by the SE Regulation, as well as applicable legal provisions in France and in the UK.

### Note 2a (ii): Legal provisions governing the Projected Transfer

The Projected Transfer is governed by:

- article 8 of the SE Regulation;
- article L.229-2, as well as article R.229-3 and subsequent articles of the French Commercial Code; and
- the Companies Act 2006, as well as the European Public Limited-Liability Company Regulations 2004 (Statutory Instruments No. 2004/2326), as amended by the European Public Limited-Liability Company (Amendments) Regulations 2009 (Statutory Instruments No. 2009/2004).

### **Note 2b: Publicity of the Proposed Transfer**

This memorandum on the Proposed Transfer was drafted by the Company's Board of Directors on 7 August 2013 and was filed with the Nancy Commercial Court on 9 August 2013, i.e. earlier than two months before the date of the meeting of the Company's shareholders when they are invited to vote on the Proposed Transfer, as required by the provisions of article R.229-3 of the French Commercial Code.

On the latter date, such memorandum was also made available on the following page of the Investor section of the Company's website which is dedicated to the Company's legal reorganisation project which was announced on 15 April 2013: <http://www.globalgraphics.com/investors/legal-reorganization>.

In addition, as required by the provisions of articles L.229-2 and R.229-3 of the French Commercial Code, a notice of the Proposed Transfer was published in the 12 August 2013 issue of *Les Tablettes Lorraines* and in the 14 August 2013 issue of the *Bulletin des Annonces Légales Obligatoires* (BALO).

### **Note 2c: Resolutions relating to the Proposed Transfer to be voted on 18 October 2013**

You are proposed to approve the proposed transfer of the Company's registered office to the UK at the following address: Building 2030, Cambourne Business Park, Cambourne CB23 6DW, subject to: (i) the approval of the proposed cancellation of the double voting right provided by the provisions of article 17 of the Company's articles of association, and (ii) the total number of ordinary shares requested to be repurchased by the Company's shareholders opposing the Proposed Transfer being less than 103,000 shares, representing approximately 1.00% of the Company's share capital

### **Note 2d: Publicity of the decisions voted on by the Company's shareholders on 18 October 2013**

Assuming that the Proposed Transfer is approved by the general meeting of the Company's shareholders on 18 October 2013 subject to the conditions set out in note 2c above, such decision will give rise to the issue of a notice in a legal gazette of the Meurthe-et-Moselle département and in the BALO, as required by the provisions of article R.229-5 of the French Commercial Code.

Such decision will also give rise to the issue of a press release by the Company which will be made available on the abovementioned dedicated page in the Investor section of the Company's website, and will also provide information on other resolutions voted on by the Company's shareholders during that general meeting.

### **Note 2e: Possibility for the Company's shareholders opposing the Proposed Transfer to request the repurchase of their shares**

#### Note 2e (i): Overview of applicable rules

In accordance with the provisions of the third paragraph of article L.229-2 and those of article R.229-2 of the French Commercial Code, the Company's shareholders who have voted against the Proposed Transfer or have abstained from taking part in the vote of the corresponding resolution on 18 October 2013 will be entitled to oppose the Proposed Transfer.

**Shareholders who do not attend or participate in the 18 October 2013 meeting, or those who vote in favour of the Proposed Transfer on that date, may not subsequently oppose the Proposed Transfer.**

Those shareholders who oppose the Proposed Transfer may have their shares repurchased by the Company. In order to be valid, a share repurchase request must be made to the Company no later than one month following the latest of the notices as required by article R.229-5 of the French Commercial Code, and sent to the Company's registered office by registered letter.

A share repurchase offer will then be sent to such shareholder by way of a registered letter within the 15-day period following the receipt of his share repurchase request.

Such offer will notably include the following information:

- the proposed means of payment;
- the period during which the offer will be valid, which will be a minimum of 20 calendar days;
- the place where acceptance of the offer must be sent to; and
- the price at which each share will be repurchased, which will be set in accordance with the provisions of article L.433-4 of the French Monetary and Financial Code.

On 24 June 2013, the Company's Board appointed Ledouble as its independent financial advisor to provide a valuation report which will be used by the Board to set the price at which shares will be repurchased by the Company from those shareholders who opposed the Proposed Transfer.

As set out in note 3 below, it is expected that the price at which shares will be repurchased by the Company will be disclosed during the week ending 4 October 2013.

Any dispute formed by a shareholder with respect to the share repurchase price will have to be brought to the competent court within the jurisdiction of the Appeal Court of Nancy, within the period set by the share repurchase offer, in accordance with the provisions of article R.229-8 of the French Commercial Code.

Note 2e (ii): Maximum number of shares to be repurchased by the Company

In order to protect the financial position of the Company and of the Global Graphics group of companies, and with regards to the information provided by the Company's reference shareholder, Stichting Andlinger & Co. Euro-Foundation, pursuant to their discussions with the Autorité des marchés financiers regarding the possible requirement to launch a public offering on the Company's shares as set out in note 2b (ii) of the memorandum on the Projected Transfer, the Company's shareholders will be invited during their 18 October 2013 general meeting to approve the Proposed Transfer subject to the aggregate number of shares requested to be repurchased by the Company's shareholders being less than 103,000 shares, or approximately 1.00% of the Company's share capital.

As a result, if the aggregate number of shares requested to be repurchased by the Company's shareholders opposing the Proposed Transfer within the period and according to the means referred to under note 2e (i) above is:

- lower than 103,000 shares, the Company's Board of Directors will note that the abovementioned condition attached to the Proposed Transfer has been met, and that, as a result, the transfer may be effective, and will undertake all actions with respect of the registration of the Company with Companies House for this to take place before the end of the current financial year;
- higher than 103,000 shares, the Company's Board of Directors will note that the abovementioned condition attached to the Proposed Transfer has not been met and that, as a result, the transfer may not be effective, and that the double voting right attached to those shares of the Company which have been held in nominative form in the name of the same shareholder for a minimum of two years may not be cancelled."

**Note 2f: Further steps of the Proposed Transfer process**

Please find below in this note information of the various steps which will need to be completed after the Board has noted that the condition attached to the Proposed Transfer of the aggregate number of shares requested to be repurchased by the Company's shareholders opposing the Proposed Transfer being less than 103,000 shares has been met.

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### Note 2f (i): Completion of the French notarial formalities before the Proposed Transfer

In accordance with the provisions of article 8 §8 of the SE Regulation and with the seventh paragraph of article L.229-2 of the French Commercial Code, a French notary will issue a certificate attesting the completion of the acts and formalities to be accomplished before the Proposed Transfer.

### Note 2f (ii): Registration of the Company in England and Wales

The Company will be registered in England and Wales with the Registrar of Companies at Companies House, subject to the issue of the certificate by the French notary, and all other required formalities for registration in England and Wales having been accomplished.

The Registrar of Companies will then notify the Nancy Register of Trade and Companies of the Company's registration in England and Wales, so that the Company may be struck off the French Register of Trade and Companies.

### Note 2f (iii): Publicity of the effectiveness of the Proposed Transfer

The Proposed Transfer will be effective on the date when the Company is registered with the Registrar of Companies at Companies House, and will be disclosed by the issue of a notice in a legal gazette of the Meurthe-et-Moselle département, in the BALO, and in the Official Journal of the European Union, as well as by the issue of press release by the Company.

### Note 2f (iv): Effective date of the Proposed Transfer

In accordance with the provisions of article 8 §10 of the SE Regulation, the Proposed Transfer and the resulting amendments to the Company's statutes will be effective on the date the Company is registered with the Registrar of Companies at Companies House.

In accordance with the provisions of article 8 §13 of the SE Regulation, the registration and completion of the Proposed Transfer may then be relied on as against third parties. However, for as long as the removal of the Company's registration from the Nancy Register of Trade and Companies has not been publicised, third parties may continue to rely on the previous registered office of the Company, unless the Company's management are able to prove that such third parties were aware of the new registered office of the Company.

## **Note 3: Consequences of the Proposed Transfer**

Please refer to the memorandum of the Proposed Transfer which provides required information on the consequences of the Proposed Transfer for the shareholders of the Company, its creditors as well as its employees.

As set out in note 2a of this memorandum, the Proposed Transfer will not have any effect on the main characteristics of the Company such as its corporate form, its corporate name, the amount of its share capital or the number of shares forming it.

The table attached as Schedule 2 to the memorandum on the Proposed Transfer provides a comparison between certain key aspects of the legal regime that currently applies to the Company and company law in England and Wales. Corresponding provisions of company law in England and Wales are included as appropriate in the new proposed statutes of the Company, which are included as Schedule 1 of the memorandum on the Proposed Transfer, and which you will be invited to approve.

In addition, please note that all existing authorisations and delegations of authority and/or power granted to the Board by the Company's shareholders in their ordinary and extraordinary meetings on 27 April 2012 and 7 June 2013 will become void when the transfer of the Company's registered office to the UK is effective.

## **Note 4: Overview of the proposed resolutions**

### **Note 4a: Cancellation of the double voting attached to the Company's shares (1st resolution)**

The proposed cancellation of the double voting right attached to those ordinary shares of the Company which have been held in nominative form in the name of the same shareholder for a minimum of two years appears to be necessary since:

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- company law in England and Wales does not allow different voting rights for the same class of shares; and
- the Board considered it was not appropriate for the Company to maintain two classes of shares given the very low number of shares to which a double voting right is attached on the date this report was drafted (8,719 shares, or less than 0.1% of the total number of shares forming the share capital of the Company), and that this low proportion has been very stable over time.

You are therefore proposed to approve such cancellation which will be effective only if and when the following conditions are met:

- such cancellation is also approved by the special meeting of those shareholders holding ordinary shares of the Company to which a double voting right is attached, which is scheduled on 18 October 2013 immediately before the general meeting of the Company's shareholders; and
- the transfer of the Company's registered office to the UK is effective

### **Note 4b: Approval of the Proposed Transfer (2<sup>nd</sup> resolution)**

You are invited to approve the proposed transfer of the Company's registered office to the following address in the UK: Building 2030, Cambourne Business Park, Cambourne, CB23 6DW, subject to the conditions set out in note 2c above.

You are proposed to grant the Board with appropriate authority to:

- either record that the abovementioned conditions attached to the Projected Transfer have been met, and that the Company may be registered in the UK with Companies House, and make any filings and publish any notices as required by applicable legal provisions;
- or record that the conditions attached to the Projected Transfer have not been met, and that the Projected Transfer is not effective and the double voting right attached to the Company's shares which have been held in nominative form in the name of the same shareholder for a minimum of two years has not been cancelled.

### **Note 4c: Resolutions resulting from that relating to the Proposed Transfer to be passed**

All the other resolutions you are invited to vote on as part of the ordinary and extraordinary meeting of the Company's shareholders on 18 October 2013 are designed to ensure that the new statutes of the Company which will come into effect after its registration in the UK are compliant with applicable provisions of company law in England and Wales, and that you take the decisions which are required to ensure continuity of the Company's operations after the Company is registered in the UK, notably to appoint the new members of the Company's Board of Directors and its new statutory auditor.

#### Note 4c (i): Approval of the new statutes of the Company (3<sup>rd</sup> resolution)

You are proposed to approve, statute after statute and as a whole, the text of the new statutes of the Company which will come into effect only if and when the Company is registered in the UK with Companies House.

#### Note 4b (ii): Appointment of the new members of the Board of Directors (4<sup>th</sup> resolution)

You are proposed to note that the mandates of the current members of the Company's Board of Directors will terminate on the date when the Company is registered in the UK, and invited to appoint the new members of the Company's Board of Directors.

They will be appointed with effect from the date when the Company is registered in the UK and until the close of the annual general meeting which is expected to be convened in 2014 to approve the Company's statutory and consolidated accounts for the current financial year.

Mr. Alain Pronost did not wish to be put forward for appointment as a director of the Company when it is registered in the UK. To ensure continuity into the Company's management, you are therefore proposed to re-appoint Mrs. Clare Findlay and Messrs. Johan Volckaerts, Gary Fry and Pierre Van Beneden as members of the Company's Board of Directors with effect on the date when the Company is registered in the UK.

**Unofficial translation of the original version in French language**

Note 4b (v): Appointment of the new statutory auditor (5<sup>th</sup> resolution)

You are proposed to note that the mandates of the current statutory and deputy statutory auditors of the Company will terminate on the date when the Company is registered in the UK, and invited to appoint the new statutory auditor of the Company.

They will be appointed with effect from the date when the Company is registered in the UK and until the close of the annual general meeting which is expected to be convened in 2014 to approve the Company's statutory and consolidated accounts for the current financial year.

You are proposed to appoint KPMG LLP as statutory auditor of the Company with effect on the date when the Company is registered in the UK.

We thank you to approve the Proposed Transfer and the other proposed resolutions.

Drafted in Brussels (Belgium) on 5 September 2013

*Please note that this report is an unofficial translation (provided only for the convenience of English-speaking shareholders) of the report to the ordinary and extraordinary meeting of the Company's shareholders scheduled on 18 October 2013, which was originally issued in French, in accordance with applicable regulations, notably French Company Law.*

*In case of any discrepancy or dispute between this unofficial translation and the original French version, the latter version will prevail.*

*The original version in French of this report is available upon written request at the Company's registered office, and can also be found in, and downloaded from, the Investors section of the Company's website at: [www.globalgraphics.com](http://www.globalgraphics.com).*