



the smarter alternative™
GLOBAL GRAPHICS®

Société anonyme with an issued share capital of € 4,115,912.40
Registered office: 146 boulevard de Finlande, Z.I. Pompey Industries, 54340 Pompey (France)
RCS Nancy B 409 983 897 - Siret: 409 983 897 00029
Website: www.globalgraphics.com

Memorandum on the proposed conversion into a European Company

This memorandum was drafted by the Company's Board of Directors of Global Graphics SA (the "Company") with respect of the proposed conversion of the Company into a European Company ("SE"), in accordance with applicable provisions of Title II of Council Regulation (EC) No. 2157/2001 of 8 October 2011 on the statute for a European company (the "SE Regulation"), and of article L.225-245-1 of the French Commercial Code.

The purpose of this memorandum is to explain the economic and legal aspects of the proposed conversion of the Company into a SE, as well as to indicate the expected consequences of this conversion on the situation of the Company's shareholders and employees.

On 7 June 2013, the Company's shareholders will be proposed to approve the proposed conversion of the Company into a SE.

Note 1: Overview of the proposed conversion into a SE

Note 1a: Description and main characteristics of the Company subject to the conversion

Note 1a (i): Form and registered office of the Company

The Company is a French *société anonyme* with a board of directors, having its registered office at 146 boulevard de Finlande, Z.I. Pompey Industries, 54340 Pompey, in France.

Note 1a (ii): Registration and applicable law

The Company is registered with the Trade and Companies Register of Nancy under number 409 983 897, and is governed by the laws and regulations in force in France, as well as by its current articles of association.

Note 1a (iii): Business overview

The Company is the ultimate holding company of the Global Graphics group of companies, which is a worldwide leader in the development and supply of software solutions to the graphic arts, digital printing and electronic document sectors, notably to Original Equipment Manufacturers.

Note 1a (iv): Term of the Company

The term of the Company is set at 99 years after its initial registration with the Trade and Companies Register, i.e. on 19 December 2095, unless the Company's early dissolution or the extension of its term are voted by its shareholders.

Note 1a (v): Share capital

The Company's share capital is divided into 10,289,781 shares, each having a par value of € 0.40, and being fully paid-up.

Note 1a (vi): Listing of the Company's shares

The Company's shares have been admitted to trading on NYSE Euronext Brussels since 17 April 2001. On 7 June 2013, the Company's shareholders will be proposed to vote for the transfer of the listing of the Company's shares to NYSE Alternext Brussels.

Note 1b: Rationale for the proposed conversion of the Company into a SE

The multinational reach of the Company, as highlighted by its presence into several countries of the European Union ("EU"), does justify the proposed conversion into a SE.

This conversion will provide the Company with a legal statute which is recognized in each of the EU Member States, as well as a legal framework which will be consistent with its economic substance.

In addition to being beneficial for the Company's recognition, the conversion into a SE will also allow the Company to undertake within a clearly defined legal framework certain transactions the implementation of which may be difficult to make by a French *société anonyme*, including the possibility of transferring its registered office from one EU Member State to another EU Member State without incurring the tax consequences of being dissolved.

It is projected that the transfer of the Company's registered office from France to the UK will be on the agenda of an extraordinary meeting of the Company's shareholders, which is expected to be convened in October 2013.

Note 1c: Conditions to be met for the conversion into a SE to be possible

In accordance with provisions of the SE Regulation, a limited company incorporated under the laws of a given EU Member State, and which has its registered office and central administration in the European Union, may be transformed into a SE provided that it has had a subsidiary company governed by the laws of another EU Member State for a minimum of two years, and that the amount of its subscribed share capital is in excess of € 120,000.

On the date this memorandum was drafted, both conditions were fulfilled since the Company, which is a French *société anonyme* having its registered office and central administration in France, has a subscribed share capital amounting to € 4,115,912, and has held two UK-based subsidiaries, namely Global Graphics (UK) Limited and Global Graphics EBT Limited, for more than two years.

Note 1d: Legal status of the proposed conversion into a SE

The proposed conversion of the Company into a SE is governed by:

- the provisions of the SE Regulation (and in particular its articles 2§4 and 37 relating to the creation of a SE by way of conversion of an existing limited company);
- articles L.225-245-1 and R.229-20 to R.229-22 of the French Commercial Code; and
- the provisions of the EU Directive No. 2001/86/EC of 8 October 2001, supplementing the SE statute with regards to the employee involvement (the "SE Directive"), as well as corresponding provisions of article L.2351-1 and subsequent articles of the French Labour Code.

Note 2: Consequences of the projected conversion of the Company into a SE

Note 2a: Legal consequences of the projected conversion of the Company into a SE

Note 2a (i): Corporate name of the Company following its change of corporate form

After the completion of the change of the Company's corporate form, its corporate name will be "Global Graphics SE".

Note 2a (ii): Registered office and central administration of Global Graphics SE

The registered office and central administration of Global Graphics SE will initially remain in France, where the Company currently has its registered office.

Should the projected transfer of the registered office of Global Graphics SE from France to the UK be voted by the Company's shareholders, the registered office of Global Graphics SE would then be transferred to the latter country.

Note 2a (iii): Articles of association of Global Graphics SE

A copy of the draft version of the articles of association of Global Graphics SE after completion of the conversion of the Company into a SE, subject to their approval by the Company's shareholders on 7 June 2013, is set out as an appendix to this memorandum.

Such draft articles of association are compliant with the SE Regulation, and with applicable provisions of French Company Law.

At the outcome of its conversion into a SE, in accordance with the provisions of articles 38b and 43 to 45 of the SE Regulation, the Company will remain organized as a one-tier system company, and will therefore continue to have a board of directors (see note 2a (vi) below).

Note 2a (iv): Legal personality

In accordance with article 37§2 of the SE Regulation, the change of corporate form will not result in the winding up of the Company or in the creation of a new legal person: after completion of the conversion into a SE, and of its registration with the Trade and Companies Register of Nancy as a SE, the Company will simply continue to conduct its business under the form of a SE.

Note 2a (v): Shares of Global Graphics SE

The number of shares issued by the Company as well as their par value will not be modified by the conversion of the Company into a SE.

The Company's shares will initially continue to be admitted to trading on NYSE Euronext Brussels; the transfer of the listing of the Company's shares will not be effective before the end of a two-month period starting on the date when the Company's shareholders approve such share listing transfer.

Note 2a (vi): Structure of the SE

The SE Regulation provides for a limited number of rules with respect of the organization of the SE and refers to applicable provisions of the law in which the SE has its registered office.

The organisation of Global Graphics SE will therefore be mainly governed by the provisions of the French Commercial Code relating to the management and the governance of the French *sociétés anonymes*, with exception of certain specific rules provided by the SE regulation, notably the requirement for the Board of Directors to meet at least every three months.

All of the rules provided by the SE Regulation have been included in the draft articles of association which are attached as an appendix to this memorandum.

As a result thereof, Global Graphics will keep its current corporate bodies of a *société anonyme* in accordance with the provisions of the SE Regulations, notably:

■ a general meeting of the Company's shareholders:

The rules used for computing the majority at general meetings of shareholders will be modified in accordance with the provisions applicable to the SE.

Whereas in a French *société anonyme*, abstention or the return of a blank ballot paper is deemed to be a vote against the proposed resolution, the calculation of the majority with respect of the resolutions proposed to a general meeting of a SE only includes votes which have been validly cast, which exclude votes attached to those shares in respect of which the shareholder has either not taken part in the vote, or has abstained, or has returned a blank or null ballot paper.

■ a one-tier system company with a board of directors:

At the completion of the process to convert the Company into a SE, the members of the Board of Directors of Global Graphics SE will remain the same as those of Global Graphics SA.

Accordingly, the terms of the current mandates of the Company's directors will continue in the same conditions and for the same duration than prior to the completion of the process to convert the Company into a SE.

On 7 June 2013, for the avoidance of doubt, the Company's shareholders will be requested to acknowledge this, and also to confirm the continuation of the mandates of the current directors of the Company.

Note 2a (vii): Statutory auditors of the Company

At the completion of the process to convert the Company into a SE, the statutory auditors of Global Graphics SE will remain the same as those of Global Graphics SA.

Accordingly, the terms of the current mandates of the Company's statutory auditors will continue in the same conditions and for the same duration than prior to the completion of the process to convert the Company into a SE.

On 7 June 2013, for the avoidance of doubt, the Company's shareholders will be requested to acknowledge this, and also to confirm the continuation of the mandates of the current statutory auditors of the Company.

Note 2b: Consequences of the projected conversion for the Company's shareholders

The conversion of the Company into a SE will in itself not change the rights of the Company's shareholders who will keep the same number of shares in the share capital of Global Graphics SE, as well as the same proportion in the total number of voting rights attached to the shares of the Company.

It will not have any effect on the transferability of the Company's shares, or the right for a shareholder to receive a dividend, whenever distributed by the Company.

Actually, the conversion into a SE will strengthen the rights of the Company's shareholders since article 55§1 of the SE Regulation notably provides for the possibility for one or several shareholders holding together a minimum of 10% of the subscribed capital of the Company to request for a general meeting of the Company's shareholders to be convened and to set the agenda of that meeting, whereas such possibility is not allowed by the provisions of French Company Law.

Note 2c: Consequences of the projected conversion for the Company's creditors

The projected conversion of the Company into a SE will in itself not result in any change in the rights of the Company's creditors.

Actually, each third party which was a creditor of the Company prior to the completion of the process to convert the Company into a SE will retain all of its rights with regards to the Company after the completion of that conversion process.

Note 2d: Consequences of the projected conversion for the Company's employees

The negotiation procedure with the employees (or their representatives, as the case may be) of the companies involved in the creation of a SE is specified in the SE Directive.

In addition to the provision of information required by abovementioned provisions, a Special Negotiating Body ("SNB") will have to be established, the aim of which is to set up a negotiation procedure in order to conclude a written agreement with the employees or their representatives on arrangements relating to employee involvement in the SE. In the specific case of Global Graphics SA, since it only has one employee (namely Mr. Alain Pronost), he will be the sole member of the SNB.

Management expects that an agreement which will determine the arrangements for employee involvement in Global Graphics SE ahead of the date of the shareholders' meeting when the Company's shareholders will be requested to approve the proposed conversion of the Company into a SE.

Note 2e: Tax aspects of the projected conversion

The conversion of the Company into a SE should not result in any specific tax impact with regards to corporation tax in the extent that no new legal person is created nor the Company's tax regime is changed, and since there is no immediate transfer of the Company's registered office outside of France.

With regards to registration fees, the transaction of converting the Company into a SE will have to be registered with the French tax authorities within 30 days of its realization. Since the conversion of the Company into a SE is not regarded as the creation of a new company, no other fee than the fixed stamp duty referred to under article 680 of the French General Tax Code will be due.

Note 3: Procedure to be followed

Note 3a: Conversion auditors

As required by article 37§6 of the SE Regulation and by article L.225-245-1 of the French Commercial Code, one or several conversion auditors (*commissaires à la transformation*) will be appointed by the President of the Commercial Court of Nancy ruling upon a request filed by the Chairman of the Board, acting on behalf of the Company as voted by the Board of Directors on 26 March 2013.

In accordance with article R.229-21 of the French Commercial Code, the conversion auditor(s) is (are) selected from a list of auditors which is referred to under article L.822-1 of the French Commercial Code, or among experts which are included in one of the lists established by the courts. Because they have a deep knowledge of the Company, and since there are no legal or regulatory provisions prohibiting them from being appointed as conversion auditors, the appointment of the Company's current statutory auditors as conversion auditors will be requested by the Chairman of the Board.

In accordance with article 37§6 of the SE Regulation and with article L.225-245-1 of the French Commercial Code, the conversion auditors will be tasked to draft a report which will be made available to the Company's shareholders, stating that the Company has net assets which are at least equal to the aggregate of: (i) the amount of the Company's issued share capital, and (ii) the reserves the distribution of which is prohibited by provisions of either French Company Law or the Company's articles of association (notably including the legal reserve).

The conversion auditors will be paid by the Company at the outcome of their engagement, when they will remit their report on the proposed conversion into a SE.

Note 3b: Specific advantages granted as part of the conversion process

Neither members of the Company's Board of Directors nor the Company's statutory auditors will be entitled to any specific advantages with in connection with the proposed conversion of the Company into a SE.

Note 3c: Registration and publicity of the proposed conversion of the Company into a SE

The conversion project will be filed with the office of the Commercial Court of Nancy, in the jurisdiction of which the Company is registered, and will be subject to publicity through the insertion of a notice in a legal gazette as well as in the Bulletin Légal des Annonces Obligatoires no later than one month ahead of the first meeting of the Company's shareholders which will be convened to vote on the conversion project.

The proposed conversion will also give rise to the issue of a press release, in both French and English, to which this memorandum will be attached. Such press release will be available for consultation or download in a dedicated page of the Investor section of the Company's website.

Note 3d: Approval of the proposed conversion and of the revised articles of association

In accordance with article 37§6 of the SE Regulation and article L.225-245-1 of the French Commercial Code, during their meeting on 7 June 2013, the Company's shareholders will vote on the proposed conversion and on the revised articles of association of the Company under the quorum and majority rules which are required for the amendment of the articles of association of French *sociétés anonymes*, in accordance with the provisions of article L.225-96 of the French Commercial court.

Note 3e: Effective date of the conversion into a SE

The conversion of the Company into a SE will be effective from the date when the Company will be registered as a SE with the Nancy Trade and Companies Register.

In accordance with article 12§2 of the SE Regulation, the registration of the SE may only take place when the procedure relating to the involvement of employees as set out in the SE Directive has been completed.

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To this effect, the SNB was set up at the close of the Board meeting on 26 March 2013 which voted to approve the proposed conversion of the Company into a SE. As indicated in note 2d above, it is expected that an agreement on arrangements relating to employee involvement in the SE will be entered into ahead of the date when the Company's shareholders will vote on the proposed conversion of the Company into a SE.

Made in Cambourne (United Kingdom) on 26 March 2013

Appendix: Draft articles of association of Global Graphics SE

The following draft articles of association of Global Graphics SE have been drafted assuming that the proposed transfer of listing of the Company's share from NYSE Euronext Brussels to NYSE Alternext Brussels, which is set out in note 5b of the Board's report on operations for the year ended 31 December 2012 will be approved by the Company's shareholders on 7 June 2013.

Article 1 - Form of the Company

The Company, which was initially formed as a corporation [*société anonyme*], was converted into a European corporation (Societas Europaea or "SE") pursuant to a decision voted by its shareholders on 7 June 2013.

It is governed by applicable European and national provisions as well as by these articles of association.

Article 2 - Name of the Company

The Company's name shall be: Global Graphics.

The Company's name will be preceded or followed by the "SE" acronym.

Article 3 - Purpose of the Company

The purposes for which the Company has been established shall be as follows, either in France or abroad:

- studying, developing and manufacturing any material, equipment, supplies and products relating to mechanics in general and more specifically to graphic arts and related industries;
- acquiring interests in any industrial or commercial corporation or business concern, either incorporated or to be incorporated, within the field of graphic arts and related industries, as well as any direct or indirect shareholding, under whatever form, to any operation which is related to such activities;
- purchasing and managing any securities and any similar corporate interests;
- performing administrative, financial, or commercial services for the benefit of the Company and its subsidiaries;
- taking, obtaining, conceiving, applying for, contributing to the development of, and acquiring and/or disposing of, patents and other intellectual property rights;
- purchasing, leasing and renting land and buildings as well as any other tangible assets which would be appropriate for the Company's operations; and
- more generally, taking or engaging in any operations or transactions of any nature relating directly or indirectly to the above mentioned purposes, or relating to similar or connected purposes.

The Company is entitled to carry out any operations which are compatible with the Company's purposes, or relative to those purposes, or which may be required to implement those purposes.

Article 4 - Registered office

The Company's registered office is located at 146 boulevard de Finlande, Z.I. Pompey Industries, 54340 Pompey (France).

Article 5 - Term of the Company

The term of the Company is set at 99 years after its initial registration with the Trade and Companies Register, unless the Company's early dissolution or the extension of its term is voted by its shareholders.

Article 6 - Share capital formation

At the time of the incorporation of the Company, a total amount of FF. 12,000,000.00 was contributed in cash.

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The share capital was increased by way of cash contributions by an amount of FF. 3,400,000.00 following the Board of Directors' decision dated 10 June 1998 making use of the authorisation granted by the shareholders on 5 May 1998.

On 26 May 1999, the shareholders voted to increase the share capital by way of a contribution of a fraction of the share premium for an aggregate amount of FF. 4,803,475.60
During the same meeting, the conversion of the share capital into euros was approved (€ 3,280,000.00).

The share capital was increased by way of cash contributions by an amount of € 200,000.00 as duly authorised by the shareholders on 26 May 1999.

The share capital was increased by way of cash contributions by an amount of € 480,000.00 following the Board of Directors' decision dated 9 March 2000 to make use of the authorisation granted by the Company's shareholders on 10 December 1999. The Board of Directors' meetings held on 17 and 24 March 2000 set the final terms of the latter transaction.

On 23 October 2000, the shareholders voted to increase the share capital by an amount of € 236,078.00 as a consideration for the contribution of the 1,000 preference shares in the share capital of Jaws Systems Limited held by 5D Solutions Ltd. for an aggregate amount of € 21,688,485.86.

On 20 January 2005 the Board of Directors noted that a total of 38,557 new shares were issued as the result of the exercise of an equivalent number of share options in the year ended 31 December 2004. As a result, the share capital was increased by an amount of € 15,422.80

On 19 January 2006 the Board of Directors noted that a total of 128,457 new shares were issued as the result of the exercise of an equivalent number of share options in the year ended 31 December 2005. As a result, the share capital was increased by an amount of € 51,382.80

On 7 February 2007 the Board of Directors noted that a total of 90,321 new shares were issued as the result of the exercise of an equivalent number of share options in the year ended 31 December 2006. As a result, the share capital was increased by an amount of € 36,128.40

On 12 February 2008 the Board of Directors noted that a total of 42,251 new shares were issued as the result of the exercise of an equivalent number of share options in the year ended 31 December 2007. As a result, the share capital was increased by an amount of € 16,900.40

Article 7 - Share capital

The Company's share capital amounts to € 4,115,912.40 and is divided into 10,289,781 shares each having a par value of € 0.40, which are all fully paid, and are each of the same class.

Article 8 - Special rights

These articles do not confer any special rights to any persons, whether or not these persons are holding shares of the Company.

Article 9 - Form of shares

Fully paid up shares are registered either in the shareholder's name under a nominative form or, whenever permitted by the applicable law, as bearer shares, upon discretion of the shareholder.

Article 10 - Identification of shareholders

The Company is entitled to request at any time from the clearing and settlement agencies all information which is prescribed by applicable legal and regulatory provisions relating to the identity of the holders of the Company's shares or of financial instruments giving right to the Company's share capital.

The Company is also entitled to request in accordance with applicable legal provisions the identity of the holders of shares when it considers that some of the holders of shares the identity of whom was provided to the Company are holding shares on behalf of third parties.

Article 11 - Capital increases and decreases and negotiation of fractional shares

Increases in share capital shall be effected, notwithstanding the existence of fractional shares.

Whenever it is necessary to hold several shares of specific sort or class in order to exercise specific rights, notably in the case of an exchange or an allotment of shares during transactions such as a decrease in the amount of the share capital, or an increase in the amount of the share capital by way of incorporation of retained earnings, of a merger, or by any other way, holders of one share or a number below that required will not be granted any right with regard to the Company, and such holders shall be personally responsible for consolidating, and possibly purchasing or selling, the required number of shares.

In the event of a decrease in the amount of the share capital by way of a decrease in the number of outstanding shares, of an exchange of shares subsequent to a merger, a demerger, a share consolidation or a share split, holders of shares shall be required to sell or purchase such shares they either have in excess, or are short of, in order to allow the exchange of old shares with new ones.

Article 12 - Transfer of shares

Shares are freely transferable but shall only be transferred to third parties to the Company by transfer from one account to another, as permitted by applicable legal and regulatory provisions.

Only fully paid shares are transferable.

Article 13 - Rights and duties attached to the shares

The ownership of shares mandates a strict compliance with the present articles of association as well as with the resolutions which are duly passed by any shareholders' meeting.

Each share entitles the holder of such a share to a portion in the Company's net profit and net assets, which is in proportion of his shareholding.

Shareholders shall not bear losses in excess of the amount of their contributions to the share capital.

Any shareholder who has held, for a period of a minimum two years, either alone or in association with other shareholders, and either directly or not, more than 34% in the share capital or in the voting rights, shall be entitled, as long as he is the main shareholder, to request that a list of candidates put by him be submitted to the next annual meeting; the latter shall choose the majority of board members within this list.

Whenever needed, and provided that this complies with legal requirements, all shares shall be taken together, irrespective of any tax exemptions or allocations, in addition to any taxes likely to be covered by the Company, before any shares be redeemed during the life of the Company or when the Company is being wound up, so that, given their respective par value, all existing shares shall be redeemed at the same net value, irrespective of their origin or their date of issue.

Article 14 - Shareholder reporting thresholds

Any natural or legal person, acting alone or in concert with others, who would come to hold any number of the Company's outstanding shares or voting rights in excess of one of the reporting thresholds defined by law, shall comply with applicable reporting requirements within the timeframe indicated by law.

Such reporting requirements shall also apply when the person comes to dispose of such a number of shares or voting rights that one or several reporting thresholds are reached.

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All terms and conditions specified for such reporting requirements in article L233-7 and subsequent articles of the French Commercial Code are applicable.

This is notably the case of the following reporting requirements:

- Any person on whom fall any reporting requirements in accordance with the above-mentioned legal provisions shall also notify his intention regarding the Company's shares or voting rights over the next six months from the reporting date as soon as that person comes to hold in excess of one tenth, three twentieths, one fifth or one quarter of the outstanding number of the shares forming the Company's share capital or of the voting rights attached to such shares.
- Such person shall specifically indicate how the acquisition of shares was financed, whether he is acting alone or in concert with others, whether he contemplates to purchase additional shares or not, whether he intends to take control of the Company, what strategy he contemplates with respect of the Company and how he expects to implement such strategy, as well as any temporary sale agreement relating to the Company's shares and/or voting rights.
- Such person shall also indicate whether the acquirer contemplates to request his appointment or the appointment of one or several persons as a director of the Company.
- This notification shall be sent to the Company and the market regulators, and also made available to the general public, in accordance with applicable regulations.
- In case of a change in intentions within the next six month period starting on the date of filing of such intention declaration, a new intention declaration, which must indicate the intentions for the next six months and provide the rationale for such change in intentions, must be sent to the Company and to the market regulators without any delay, and also made available to the general public in the same terms and conditions than for the initial intention declaration.

Should a shareholder fail to provide any required notification (in the terms and conditions set out in article L.233-7 and subsequent articles of the French Commercial Code), he would face the sanctions which are set out in article L.233-14 of such Code, and would notably be deprived from the voting right attached to each share above the number of shares or voting rights giving rise to a notification duty for any meeting of shareholders which would take place during a period of two years following the date at which the appropriate notification had been done.

Similarly, a shareholder who would not have made the notifications required as to his intention regarding the Company's shares when holding in excess of one tenth, three twentieths, one fifth or one quarter of the outstanding number of the shares forming the Company's share capital or of the voting rights attached to such shares would be deprived from the voting right attached to each share above the number of shares or voting rights giving rise to such notification duty for any meeting of the shareholders which would take place during a period of two years following the date at which the appropriate notification had been done.

The voting rights attached to the shares which were not properly notified may not be exercised or delegated during that same period.

Article 15 - Board of Directors: powers, composition and organisation

The Company shall be managed by a Board of Directors consisting of at least three and no more than twelve members, which are appointed by the shareholders.

Unless otherwise stated by specific provisions of the French Commercial Code, each Board member shall be the owner of hundred shares of the Company. Should a Board member not be the owner of the required number of shares at the time of his appointment or should he cease to own that required number during his term of office, he shall automatically be deemed to retire, provided he would have not done the necessary to comply with such provisions within the six months following his appointment or the date when he has ceased to own the above-mentioned number of shares.

Board members shall be appointed for a term of office of four years.

No more than a third of the total number of Board members may be aged over seventy years old. Should such limit be exceeded the oldest director is deemed to retire.

Board meetings shall be convened by the Chairman of the Board, as often he deems suitable and as required by the Company's business, and at least every three months, at a location which is indicated in the notice of the Board meeting.

Should any board meeting have not taken within the last two months, a minimum of a third of the total number of directors may request the Chairman to convene a Board meeting with a defined agenda. The Chief Executive Officer may also request the Chairman to convene a Board meeting with a defined agenda. The Chairman is then bound by these meeting requests.

The Board of Directors shall deliberate and take action in accordance with provisions of the French Commercial Code.

The charter for the Board of Directors may allow that all directors attending meetings of the Board of Directors by videoconference and other means of telecommunications shall be considered as attending the meeting and having full capacity to vote, under the limits and according to the conditions set out by applicable legal and regulatory provisions.

The Board of Directors shall set the strategic orientations of the Company and shall have a duty to ensure these are effectively applied. It may deliberate on any question falling into the scope of the Company's purposes provided it does not conflict with specific powers granted by law to shareholders. It has a control power on any subject regarding the Company's operations and may exercise such power when deemed appropriate.

The Board of Directors shall appoint one of its members as its Chairman and set the Chairman's remuneration.

The Chairman of the Board represents the Board of Directors. He shall organize and conduct the board meetings and be responsible for the way the Board operates vis-à-vis the shareholders. He has a duty to make sure that the directors may properly undertake their duties.

The age limit for someone to be appointed as the Company's Chairman is seventy years old.

Article 16 - Management of the Company

The management of the Company is performed by either the Chairman of the Board, or by another natural person, elected either from among other members of the Board or from outside the Board of Directors, and having the title of "Directeur Général".

The Board of Directors shall choose between either options and may change such option at any time. In each case, proper information has to be made available to both the Company's shareholders and third parties.

Should the Chairman of the Board also be the Company's Directeur Général, all provisions of the current articles relating to the Directeur Général are also applicable to the Chairman of the Board.

Should the Chairman of the Board be another person than the Company's Directeur Général, the Board of Directors shall appoint a Directeur Général; the applicable age limit will be the same as for the Chairman.

The Directeur Général is vested with all powers to act on behalf of the Company under any circumstances. However such powers must be exercised only within the scope of the Company's purposes and provided they do not conflict with powers that are specifically granted by law to either the Company's shareholders or the Company's Board of Directors.

The Directeur Général may propose to the Board of Directors that are appointed one or several (up to five) Directeurs Généraux Délégués. The applicable age limit will be the same as for the Chairman.

Directeurs Généraux Délégués shall have the same powers as the Directeur Général vis-à-vis third parties.

As part of the internal organization of the Company, such powers may be restricted by the Board of Directors although such restriction would be without any effect to third parties.

Article 17 - Shareholders' meetings

Shareholders' meetings shall be convened in accordance with legal and regulatory provisions applicable to French companies, as well as with applicable provisions to companies the shares of which are admitted to trading on NYSE Alternext Brussels.

Meetings of the Company's shareholders shall be held at the Company's registered office or on any other place located within metropolitan France or in Belgium.

Any shareholder shall be entitled to attend, to be represented or to vote by postal vote at any shareholders' meeting irrespective of the number of shares he holds, provided that these shares are fully paid and are registered in his name no later than a minimum of three working days before the date of the meeting at midnight, Paris time, either with the Company's share registrar, for shares registered in the name of the shareholder; or with a registered intermediary entitled to keep securities' accounts.

Any shareholder holding shares belonging to a specific class of shares may attend any special meetings of holders of shares of that category.

Voting rights attached to shares are proportionate to the number of shares held and one voting right is attached to each of the Company's shares.

However, a double voting right is granted to each share which is fully paid, and for which it can be evidenced that the share has been held under a nominative form by the same shareholder for a minimum of two consecutive years.

Moreover, in case of a capital increase realised by incorporation of retained earnings, retained profit, or share premium, such double voting right will be granted to each newly issued share granted to a shareholder for each existing share he was holding for which such double voting right was granted. For other shares, such double voting rights may be acquired, cease or be transferred in accordance with applicable law provisions.

A share which is no longer registered under a nominative form or for which the ownership is transferred to another person gives no longer right to a double voting right, with the exception of specific cases as set out in the first and second paragraphs of article L.225-124 of the French Commercial Code.

Votes are cast either by show of hands or by roll call. A secret poll on any resolution may be held on the request of shareholders representing - either because they are attending the meeting or because they duly represent other shareholders - the majority required for the vote of such resolution.

Article 18 - Shareholders' right to obtain certain information

Shareholders shall have temporary or permanent rights, depending upon the nature of the information requested, to obtain certain information in accordance with terms and provisions of French Company Law. These ensure that any shareholder be granted with the necessary information to fully understand the current financial position of the Company and fully exercise his rights as a shareholder.

In addition, any document of information provided by provisions of the rules applicable on each of the stock exchanges where the Company's shares are listed is to be made available at the request of any shareholder in accordance with the forms and deadlines as set out in the applicable rules.

Article 19 - Year-end date

The financial year shall start on 1 January and end on 31 December.

Article 20 - Allocation and distribution of profits

The difference between the total income and the total expenses in each financial year, after deduction of depreciation and amortization expenses if any, shall make the Company's net profit or loss for that year.

Five per cent (5%) of the net profit after deduction of any prior year accumulated losses shall be retained and allocated to the legal reserve. Such an allocation is no longer required once this reserve reaches a level equal to ten per cent (10%) of the Company's share capital. Additional allocations shall be made if, for whatever reason, the amount of the reserve falls below this level.

Distributable profits for any financial year shall be made from the net profit for the related year, increased or decreased as the case may be, by any profit or loss carried forward from prior years.

Unofficial translation of the original version in French language

Such profits are available for distribution, and should such a distribution be decided by the shareholders' meeting, such profits could either be distributed, upon the Board's proposal, in part or in total as a dividend, or allocated as retained earnings as well as accumulated profit brought forward.

In addition, dividends may also be distributed from the Company's retained earnings subject to shareholders' approval. In such a case, the passed resolution will specify the retained earnings captions from which dividends are distributed. As a general rule, any dividend distribution for any financial year is first allocated from that year's net profit.

The revaluation reserve cannot be distributed, but can be transferred into the share capital for either a fraction or the total amount of that reserve.

The shareholders' meeting may offer any shareholder the option to receive all or part of dividends or interim dividends, if any, in the form of additional shares rather than in cash.

Please note that this memorandum is an unofficial translation (provided for the convenience of English-speaking shareholders) of the memorandum on the proposed conversion of the Company into a SE, which was originally issued in French, in accordance with applicable regulations, notably French Company Law.

In case of any discrepancy or dispute between this translation and the original French version, the latter version would govern.

The original version in French of this memorandum is available upon 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.