



**GLOBAL GRAPHICS®**

European Company (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)

## **Memorandum on the proposed transfer of the Company's registered office from France to the UK**

This memorandum was drafted by the Board of Directors of Global Graphics SE (the “**Company**”) on 7 August 2013 in respect of the proposed transfer of the Company’s registered office from France to the UK (the “**Proposed Transfer**”), in accordance with the applicable provisions of article 8 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.229-2 of the French Commercial Code.

The purpose of this memorandum is to summarise the economic and legal aspects of the Proposed Transfer, as well as to indicate the expected consequences of the Proposed Transfer on the Company’s shareholders, creditors and employees.

Attached to this memorandum is a draft timetable of the Proposed Transfer as well as a draft version of the Company’s statutes which would come into effect after the Proposed Transfer has been completed. On 18 October 2013, an extraordinary meeting of the Company’s shareholders will be convened when they will be invited to approve the Proposed Transfer.

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

#### **Note 1a: Description and main characteristics of the Company**

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

The Company is a European Company (Societas Europaea, or SE), which is registered in France, has a board of directors, and currently has its registered office in France 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 French Commercial Code, the SE Regulation, and by its current statutes.

##### Note 1a (iii): Business overview

The Company is the 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 (OEMs).

##### Note 1a (iv): Term of the Company

Under French company law, the term of the Company is 99 years from the date of its initial registration with the Trade and Companies Register, i.e. until 19 December 2095, unless the Company’s shareholders vote for early dissolution or the extension of its term.

**Note 1a (v): Share capital**

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

**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 under the ticker 'GLOG', and the ISIN code FR0004152221.

**Note 1a (vii): Breakdown of the Company's share capital and voting rights**

As at the date of this memorandum, the Company's management is not aware of any substantial change in the breakdown of the Company's share capital and voting rights attached to the Company's shares from that as of 31 December 2012, as set out in note 3c (iii) of the Board's report on the Company's operations for the financial year ended 31 December 2012.

**Note 1a (viii): Legal proceedings precluding the Proposed Transfer**

As at the date of this memorandum, no proceedings for winding up, liquidation, insolvency, suspension of payments, or other similar proceedings which may preclude the Proposed Transfer as set out under article 8 §15 of the SE Regulation have been brought against the Company.

**Note 1b: Rationale for 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 total to € 0.3 million per year from the effective date of the Proposed Transfer.

**Note 1c: Main steps of the Proposed Transfer**

**Note 1c (i): Memorandum on the Proposed Transfer**

This memorandum will be filed with the Nancy Commercial Court no later than two months before the date of the meeting of the Company's shareholders when they are invited to vote on the Proposed Transfer.

It will also be published in the Investor section of the Company's website at: [www.globalgraphics.com](http://www.globalgraphics.com). In addition, a notice of the Proposed Transfer will be published in a legal gazette of the Meurthe-et-Moselle département and in the Bulletin des Annonces Légales Obligatoires (BALO), in accordance with the provisions of articles L.229-2 and R.229-3 of the French Commercial Code.

**Note 1c (ii): Board's report on the Proposed Transfer**

In accordance with the provisions of article 8 §3 of the SE Regulation, the Company's Board of Directors will draft a report on the Proposed Transfer, which will be made available to the Company's shareholders and creditors no later than one month before the date of the meeting of the Company's shareholders when they are invited to vote on the Proposed Transfer of the Company's registered office to the UK.

This report will also be published in the Investor section of the Company's website at: [www.globalgraphics.com](http://www.globalgraphics.com)

**Note 1c (iii): Shareholders' vote on the Proposed Transfer**

In accordance with the provisions of article 37 §3 of the SE Regulation, the Company's shareholders were prohibited from voting on the Proposed Transfer at the same time they approved the proposed conversion of the Company into an SE.

It is therefore necessary to convene an extraordinary meeting of the Company's shareholders, which will be held on 18 October 2013 for the purposes of obtaining the approval of the Company's shareholders to (i) the Proposed Transfer and (ii) the adoption of the new statutes of the Company.

**Note 1c (iv): 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 1c (v): 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.

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

**Note 1c (vi): 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 1d: Legal regime governing the Proposed Transfer**

In accordance with the provisions of article 8 §1 of the SE Regulation, the registered office of a SE may be transferred from one Member State of the European Union (EU) to another Member State of the EU, and any such transfer will not result in the winding up of that company, or the creation of a new legal person.

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, and the following legal provisions which are applicable to companies which are registered in France and in the UK:

- 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
- Companies Act 2006, and 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 2: Consequences of the Proposed Transfer**

**Note 2a: Legal consequences of the Proposed Transfer**

The main consequence of the Proposed Transfer will be substantial amendments which will be required to be made to the Company's statutes in order to align the Company's constitution with applicable provisions of company law in England and Wales, which will apply to the Company after completion of the Proposed Transfer.

The Proposed Transfer will not result in either the winding up of the Company, or the creation of a new legal personality, and will not have any consequences on the Company's main characteristics such as its corporate name, its corporate form as an SE, its financial year-end date, or the number of shares forming its share capital.

Amendments to be made to the Company's statutes, which will take effect from the date when the Proposed Transfer is effective, include the following:

**Note 2a (i): Applicable law**

From the effective date of the Proposed Transfer, the Company will be governed by the provisions of the SE Regulation, company law in England and Wales, and its new statutes, a copy of which is attached as **Schedule 1** to this memorandum.

**Note 2a (ii): Registered office location**

From the effective date of the Proposed Transfer, the Company's registered office will be located in the UK at Building2030, Cambourne Business Park, Cambourne, Cambridge CB23 6DW. This is also the location of the registered offices of the Company's two subsidiaries, Global Graphics (UK) Limited and Global Graphics EBT Limited, and the registered office of the Company's main operating subsidiary, Global Graphics Software Limited.

**Note 2a (iii): Governance bodies**

The appointment of the current members of the Company's Board of Directors will automatically cease on the date when the Proposed Transfer becomes effective, as they will no longer be governed by the provisions of French company law, but instead by the company law of England and Wales.

On the date they will vote on the Proposed Transfer, the Company's shareholders will therefore be asked to reappoint the members of the Board, which reappointment would take effect on the date when the Proposed Transfer becomes effective.

The Company will continue to operate as a one-tier SE with a board of directors, in accordance with the provisions of the SE Regulation, the Companies Act 2006 and the Company's statutes.

**Note 2a (iv): Statutory auditors**

The appointment of the current statutory auditors of the Company will automatically cease on the date when the Proposed Transfer becomes effective, as they will no longer be governed by the provisions of French company law, but instead by the company law of England and Wales.

On the date they will vote on the Proposed Transfer, the Company's shareholders will therefore be asked to appoint the Company's statutory auditor, which appointment will take effect on the date the Proposed Transfer is effective. The auditor will need to be a registered auditor in the UK to perform an audit of the Company's statutory and consolidated accounts, starting with those for the financial year ended 31 December 2013.

**Note 2a (v): Statutory and consolidated accounts**

Statutory accounts of the Company will be denominated in pounds sterling and prepared in accordance with applicable accounting principles (UK GAAP), unless the Company elects to prepare them in accordance with IFRS. The Company's consolidated accounts will continue to be denominated in euros and prepared in accordance with IFRS as a result of the continued listing of the Company's shares in euros on NYSE Euronext Brussels.

**Note 2a (vi): Transactions with directors**

Company law in England and Wales requires any director with an interest in a proposed transaction which may conflict with such a transaction to declare their interest to the board, so that such interest is mentioned in the minutes of the relevant board meeting.

In addition, the new statutes of the Company, which will be adopted upon the Proposed Transfer becoming effective, will require any director with such an interest to refrain from taking part into the board's vote on such transaction, and to be excluded from counting in the quorum of any such board meeting.

**Note 2a (vii): Transactions with other related parties**

Company law in England and Wales provides that a company may not transfer a non-cash asset with a value in excess of £5,000 to a director, or any person connected with a director (or acquire such asset from a director or person connected with a director), unless prior shareholder approval has been obtained to such transaction. Transactions of this nature are referred to as "substantial property transactions", and may be approved by shareholders passing an ordinary resolution in a general meeting.

Additionally, company law in England and Wales requires shareholders to pass an ordinary resolution to approve any loan or quasi-loan to, or any other credit transaction with, a director (or person connected with a director).

For the purposes of substantial property transactions and loans to directors, a connected person will include any member of the director's family, including the director's parents, and his/her civil partner or spouse, children and step-children.

**Note 2a (viii): Other significant differences which are worth mentioning as part of the Proposed Transfer**

The table in **Schedule 2** of this memorandum provides a comparison between certain key aspects of the legal regime that currently applies to the Company and company law in England and Wales, which are relevant in the context of the Proposed Transfer.

**Note 2b: Consequences of the Proposed Transfer for the Company's shareholders**

**Note 2b (i): Consequences of the Proposed Transfer for the Company's shareholders**

■ Shares held in the Company's share capital

The Proposed Transfer, which is required to be approved by an extraordinary decision of the Company's shareholders, will have no effect on the rights of the Company's shareholders, who will keep the same number of shares in the Company's share capital, without any action being required from them in that respect.

Similarly, the liability of a Company's shareholder after the Proposed Transfer will remain the same.

■ Voting rights attached to the Company's share

Company law in England and Wales does not allow different voting rights to be attached to the same class of shares. Since the number of shares currently in issue to which a double voting right is attached is minimal (8,719 shares, or less than 0.1% of the 10,289,781 shares forming the Company's share capital as at the date of this memorandum), a special meeting of the holders of the shares to which double voting rights are attached will be convened on 18 October 2013, before the extraordinary shareholders' meeting referred to under note 1c (iii) of this memorandum.

The holders of the shares to which double voting rights are attached will be asked to approve the cancellation of such double voting rights as provided for by article 17 of the Company's current statutes, and such cancellation shall be subject to approval by the extraordinary meeting of the Company's shareholders of the Proposed Transfer on that same day.

■ Transferability of the Company's shares

The Proposed Transfer will have no effect on the transferability of the Company's shares as these will continue to be admitted to trading on NYSE Euronext Brussels.

■ Right of a shareholder to receive a dividend from the Company

The Proposed Transfer will have no effect on the right of a shareholder to receive a dividend from the Company.

**Note 2b (ii): Rights and protection of the interests of the Company's shareholders**

■ Disclosure of the memorandum regarding the Proposed Transfer

This memorandum will give rise to the registration formalities set out in note 1c above.

In addition, the Company will issue press releases announcing the availability of this memorandum as well as the Board's report thereon.

■ Disclosure of the shareholders' decision, regarding the Proposed Transfer

If approved by the Company's shareholders, the Proposed Transfer will give rise to the registration formalities required by the provisions of article R.229-5 of the French Commercial Code, including the issue of a notice in a legal gazette of the Meurthe-et-Moselle département and in the BALO, as well as the issue of a press release providing the outcome of the extraordinary meeting of the Company's shareholders convened on 18 October 2013.

■ Possibility for the Company's shareholders to have their shares repurchased

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 that vote, 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 opposed 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 by 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.

On 18 October 2013, in order to protect the financial position of the Company, the Company's shareholders will be invited to approve the Proposed Transfer subject to the total number of shares requested to be repurchased by the Company's shareholders being less than the number of shares approved to be repurchased as set by the Company's Board during the board meeting at which the draft resolutions of the 18 October 2013 meeting will be approved.

The number of shares will be set, not only with regard to the financial position of the Company and of the Company, but also with respect to the requirement to launch a mandatory public offering of the Company's shares should certain shareholding reporting thresholds be crossed as provided by the provisions of article 234-2 of the General Regulations of the Autorité des marchés financiers ("AMF").

The share repurchase requirement set by the provisions of article L.229-2 of the French Commercial Code will automatically result in an increase of the number of shares to be considered when assessing whether or not the Company's reference shareholder, Stichting Andlinger & Co. Euro-Foundation (the "Stichting"), is required to launch a mandatory public offering. A mandatory public offering of the Company's outstanding shares would be required as a result of the Stichting holding more than 30% of the total number of shares forming the Company's share capital or more than 30% of the total number of voting rights attached to the Company's shares. All of the shares held by the Company as treasury shares will need to be added to those held by the Stichting for assessing whether such thresholds have been crossed in accordance with the provisions of article L.233-9 of the French Commercial Code.

The Stichting has already indicated to the attendees of the 7 June 2013 meeting that:

- it fully supports the Proposed Transfer;
- it has no intention whatsoever to increase its shareholding in the Company (which is 28.01% as of the date of this memorandum); and
- it will only vote for the Proposed Transfer if such transfer does not trigger the requirement for the Stichting to initiate a public offering on the Company's shares.

Accordingly, the Stichting is expected to file a request in accordance with the provisions of article 234-4 of the General Regulations of the AMF to obtain a waiver from the requirement to launch a public offering on the Company's shares should it come to hold more than 30% of the total number of shares forming the Company's share capital or more than 30% of the total number of voting rights attached to these shares as a result of share repurchases.

**Note 2c: Consequences of the Proposed Transfer for the Company's creditors**

Note 2c (i): Consequences of the Proposed Transfer for the Company's creditors

The Proposed Transfer will in itself have no material effect on the rights of the Company's creditors.

Note 2c (ii): Rights and protection of the interests of the Company's creditors

As set out in note 1c (ii) above, during the one-month period preceding the 18 October 2013 shareholders' meeting, the Company's creditors will be entitled to examine this memorandum on the Proposed Transfer, as well as the Board's report thereon.

In accordance with the provisions of paragraph 6 of article L229-2 and of article R.229-11 of the French Commercial Code, those creditors to whom the Company owed any amount prior to the Proposed Transfer date may oppose such transfer with a 30-day period starting on the date of issue of the last of the two notices the provision of which is required by article R.229-3 of the French Commercial Code (see note 1c (i) above).

The court may dismiss the creditors' claims, require the Company to pay the amount due to the creditors, or require that guarantees are given for the benefit of the creditors.

Claims filed by the Company's creditors will not automatically result in the Proposed Transfer not proceeding. However the Company's Board may decide not to proceed with the Proposed Transfer as a result of any such claims.

**Note 2d: Consequences of the Proposed Transfer for the Company's employees**

The Company has only one employee, Mr. Alain Pronost, who is also one of the Company's directors.

As at the date of this memorandum, the Company has no employee representation body.

The Proposed Transfer will in itself have no effect on the employment contract of Mr. Pronost, whose employment with the Company will terminate on 31 December 2013, as set out in the severance agreement entered into with him on 15 March 2013.

**Note 2e: Tax consequences of the Proposed Transfer**

Note 2e (i): Tax consequences of the Proposed Transfer for the Company

The Proposed Transfer will result in the transfer of the Company's net assets to the UK, as the Company will cease to have any permanent establishment in France.

The Proposed Transfer will in particular result in the following tax consequences:

- any profit made by the Company between 1 January 2013 and the effective date of the Proposed Transfer will be taxed using the applicable corporate tax rate (33.33%);
- any outstanding tax losses which would be carried forward before the effective date of the Proposed Transfer and would not be used to offset taxable profit made by the Company between 1 January 2013 and the effective date of transfer may no longer be carried forward; and
- any capital gains arising on the transfer of the Company's net assets, starting with those made on the transfer of the shares of its UK subsidiaries, will be taxed using the applicable corporate tax rate.

It is however important to note that, since the shares of these subsidiaries have been held for more than two years by the Company as at the date of this memorandum, any capital gains arising from the transfer of these shares would benefit from the tax regime specified under article 219 I-a of the French General Tax Code which provide for no taxation of these capital gains provided that a fraction of the corresponding transfer costs are taxed using the applicable corporate tax rate.

In 2013, such fraction is equal to 12% of the gross amount of the capital gain (before the offset of any capital losses as applicable) arising on the disposal of these shares. As a result of existing tax losses carried forward as at 1 January 2013, amounting to a total of €5,469,778, which can be offset against this fraction of corresponding transfer costs, no tax is expected to be due and paid with respect of the capital gain arising from the transfer of these shares.

**Note 2e (ii): Tax consequences of the Proposed Transfer for the Company's shareholders**

Given the numerous tax situations of the Company's shareholders, whether they are a natural person or a legal person, and whether they are resident in the UK for income tax purposes or not, it was not considered relevant to provide precise information on the tax consequences of the Proposed Transfer for the Company's shareholders in the context of this memorandum.

The Company's shareholders are therefore urged to consult their tax advisors to assess whether the Proposed Transfer is likely to have tax implications for them, and if so, what they are.

**Note 3: Draft timetable for the Proposed Transfer**

Week ending 9 August 2013	Filing of the memorandum on the Proposed Transfer with the Nancy Commercial Court. Availability of the memorandum on the Proposed Transfer on the Company's website.
Week ending 16 August 2013	Notices of the Proposed Transfer to be published in a legal gazette and in the BALO. Opening of the period during which the Company's creditors can file a claim to oppose the Proposed Transfer.
Week ending 13 September 2013	Availability of the Board's report on the memorandum on the Proposed Transfer on the Company's website and at the Company's registered office. Notices of the special meeting of holders of the Company's shares to which double voting rights are attached and of the meeting of the Company's shareholders both convened on 18 October 2013.
Week ending 4 October 2013	Information to be published on the price at which shares will be repurchased by the Company from shareholders opposed to the Proposed Transfer, and on the maximum number of shares approved to be repurchased by the Company as part of the Proposed transfer. Availability of the valuation auditor's report on the Company's website.
18 October 2013	Special meeting of holders of the Company's shares to which double voting rights are attached.
18 October 2013	Meeting of the Company's shareholders who will be invited to vote on the Proposed Transfer, to adopt the revised statutes of the Company, and to appoint the Company's Board members and statutory auditor.
Week ending 25 October 2013	Issue of notices of the shareholders' decision relating to the Proposed Transfer in a legal gazette and in the BALO subject to the total number of shares requested to be repurchased by the Company's shareholders being less than the number of shares approved to be repurchased by the Company, as set by the Company's Board.

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

	Opening of the one-month period for those shareholders being opposed to the Proposed Transfer to request the repurchase of their shares.
Week ending 29 November 2013 (after expiry of the period for those shareholders opposed to the Proposed Transfer to request the repurchase of their shares by the Company)	Board meeting to record the number of shares the repurchase of which has been requested by the Company's shareholders, and to confirm whether or not the Proposed Transfer will proceed.
Week ending 6 December 2013	Issue of a certificate by a French notary attesting to completion of acts and formalities to be accomplished before the Proposed Transfer.
Week ending 13 December 2013	Application for registration by the UK Registrar of Companies is made by the Company.
No later than 31 December 2013	Removal of registration of the Company from the Nancy Register of Trade and Companies and issue of a notice on the transfer in the Official Journal of the EU.

*Please note that all dates (other than the date of filing of the memorandum on the Proposed Transfer with the Nancy Commercial Court) are estimations based on current expectations (in particular, estimations as to how long the Nancy Trade and Companies Register and the Registrar of Companies in the UK will take to process documents) and are subject to change.*

Drafted in Cambourne (United Kingdom), on 7 August 2013

**Schedules to the memorandum on the Proposed Transfer of the Company's registered office to the UK**

**Schedule 1** Draft version of the Company's statutes which will come into effect after the Proposed Transfer is effective

**Schedule 2** Comparison between the legal regime currently governing the Company and company law in England and Wales

## Schedule 1 to the memorandum on the Proposed Transfer

Draft version of the Company's statutes which will come into effect after the Proposed Transfer is effective

## Schedule 2 to the memorandum on the Proposed Transfer

### Comparison between the legal regime currently governing the Company and company law in England and Wales

The Company is a Societas Europaea (or SE), a European Public Limited-Liability Company, which is incorporated and registered in France, and has a Board of Directors as its administrative organ.

Prior to the Proposed Transfer, the Company is principally subject to both the French Commercial Code and the SE Regulation.

Subject to the SE Regulation, an SE is generally treated as it were a public limited-liability company formed in accordance with the law of the Member State in which it has its registered office. Accordingly, following the Proposed Transfer, the Company will be governed by the law of England and Wales, subject to the SE Regulation.

The following is a comparison of certain key aspects of the legal regime that currently applies to the Company and of company law in England and Wales as it relates to public companies as at the date of this memorandum, and to which the Company will be subject after the completion of the Proposed Transfer.

With respect to the legal regime that currently applies to the Company, this analysis focuses on the French Commercial Code and the SE Regulation. With respect to company law in England and Wales, this analysis focuses on the provisions of the Companies Act 2006 (as amended), the full version of which is available here: <http://www.legislation.gov.uk/ukpga/2006/46/contents>.

The City Code on Takeovers and Mergers (the “Takeover Code”) regulates the conduct of UK public company takeovers, and will apply to the Company following the Proposed Transfer. The full version of the Takeover Code is available here: <http://www.thetakeoverpanel.org.uk/the-code/download-code>

This comparison is an overview only, and is not intended to address all possible differences between the legal regime that currently applies to the Company, and company law in England and Wales.

In particular, it does not look at applicable insolvency law or practice, tax law or any law other than general company law as it applies to the Company.

It does not consider at obligations falling on foreign issuers whose shares are admitted to trading on NYSE Euronext Brussels since it is expected that the Proposed Transfer will not result in any substantial changes relating to its listing.

	<b>Current legal and/or statutory requirements applicable to the Company</b>	<b>Future legal and/or statutory requirements after the Proposed Transfer</b>
<b>Extraordinary meetings of shareholders / Special resolutions</b>	<p>Any change to the provisions of a company's statutes requires approval by an extraordinary shareholders' meeting. Accordingly, the following matters must be approved by such an extraordinary meeting:</p> <ul style="list-style-type: none"> <li>- change in the company's purpose;</li> <li>- change in its corporate form or name,</li> <li>- transfer of its registered office to another département or another EU Member State;</li> <li>- early dissolution or continuation of the company ;</li> <li>- increase or decrease of the amount of its share capital (subject to powers and authority given to the Board to do so);</li> <li>- change to the conditions attached to the transfer of shares or their par value;</li> <li>- variation in the statutes' provisions relating to the management of the company.</li> </ul> <p>Resolutions in an extraordinary meeting require the approval of two-thirds of shareholders' votes cast at such a meeting.</p>	<p>Certain matters, generally those which are material to the nature of the company, require the passing of special resolutions.</p> <p>Special resolutions require the approval of 75% of shareholders' votes cast at a general meeting.</p> <p>Amongst other things, the following matters must be approved by special resolution:</p> <ul style="list-style-type: none"> <li>- variation of the company's statutes;</li> <li>- disapplication of shareholders' statutory pre-emption rights (see below);</li> <li>- a solvent winding-up or dissolution of the company;</li> <li>- a reduction of the company's share capital;</li> <li>- the purchase by the company of its own shares; or</li> <li>- the transfer of the company's registered office to another EU Member State.</li> </ul>
<b>Ordinary meetings of shareholders / Ordinary resolutions</b>	<p>All other matters requiring shareholder approval, which are not dealt with by an extraordinary shareholders' meeting (i.e. those not resulting in a change in the company's statute), and/or Board and/or senior members of the Board (e.g. the Chairman and CEO) require approval by an ordinary meeting of shareholders.</p> <p>The following matters are typically approved by an ordinary meeting :</p> <ul style="list-style-type: none"> <li>- approval of prior year's accounts;</li> <li>- appointment or replacement of board members and statutory auditors;</li> <li>- approval of transactions with regulated related parties; and</li> <li>- approval of a share repurchase programme.</li> </ul> <p>Resolutions in an ordinary meeting require the approval of a majority of shareholders' votes cast at such a meeting.</p>	<p>For all other matters requiring shareholder approval, an ordinary resolution must be passed.</p> <p>Ordinary resolutions require the approval of more than 50% of shareholders' votes cast at a general meeting.</p> <p>Amongst other things, the following matters must be approved by ordinary resolution:</p> <ul style="list-style-type: none"> <li>- appointing or removing the company's statutory auditors;</li> <li>- the sub-division or consolidation of share capital; or</li> <li>- authorising the Board to allot securities.</li> </ul>
<b>Decisions for which unanimous consent of the shareholders is required</b>	<p>Some decisions require unanimous consent from the shareholders, for instance those resulting in an increase of the shareholders' liability vis-à-vis the company, or the transfer of the registered office to another country in circumstances where it was not converted into an SE prior to such transfer.</p>	<p>There are no resolutions requiring a unanimous approval of the shareholders under English law.</p>

	<b>Current legal and/or statutory requirements applicable to the Company</b>	<b>Future legal and/or statutory requirements after the Proposed Transfer</b>
<b>Rights attaching to specific classes of shares and decisions voted by the shareholders in special meetings</b>	<p>Special meetings of shareholders only comprise those holders of the class of shares to which specific rights are attached and to which a variation in such specific rights is proposed (e.g. double voting rights).</p> <p>Rules applicable to extraordinary shareholders' meetings, notably with respect of majority computation, also apply to these special meetings.</p>	<p>If at any time a company's share capital is divided into different classes of shares, then unless otherwise provided by the terms on which shares of a particular class are issued, the rights attaching to a specific class of shares may only be varied if 75% of the holders of the relevant class consent either in writing or by a special resolution passed at a separate meeting of the holders of the class of shares.</p> <p>The provisions of a company's statutes in relation to general meetings of shareholders would apply to any such meetings.</p>
<b>Allotment of new shares</b>	<p>The allotment of new shares may be decided by either an extraordinary shareholders' meeting or the Board, within the terms, conditions and limits set by the extraordinary meeting which granted appropriate powers to the Board to effect such allotment.</p> <p>The authority granted by the shareholders to the Board to allot a limited number of shares (e.g. for general corporate and commercial finance purposes and/or the issue of shares pursuant to options) will typically be renewed from time to time by shareholders as and when thought fit by the Board.</p>	<p>The powers of the Board to allot shares are restricted by the terms of the authority granted by the shareholders, as well as the shareholders' rights of pre-emption (see below).</p> <p>The authority granted by the shareholders to the Board to allot a limited number of shares for e.g. general corporate and commercial finance purposes and/or the issue of shares pursuant to options, will typically be renewed each year at an annual general meeting of shareholders.</p>
<b>Shareholders' statutory pre-emption rights</b>	<p>Prior to an allotment of equity securities for cash, those securities must first be offered to existing shareholders in proportion to their existing holding in the Company.</p> <p>Shareholders can give up their pre-emption rights individually, with or without designating any beneficiary of such rights. Such right may also be waived by the extraordinary shareholders' meeting which is approving the allotment of new shares, for the benefit of identified parties or classes of parties, or unidentified parties.</p>	<p>The Companies Act 2006 provides that prior to an allotment of equity securities for cash, those securities must first be offered to existing shareholders in proportion to their existing holding.</p> <p>These rights may be excluded or varied by a special resolution.</p> <p>Typically, the directors of a public limited liability company would be authorised, by way of a special resolution passed each year at an annual general meeting of shareholders, to allot a limited number of shares without such pre-emption rights applying.</p>
<b>Quorum for ordinary shareholders' meetings</b>	<p>Proposed resolutions may be approved only if a minimum of 20% of the total number of shares to which voting rights are attached are held by the shareholders present, being represented or having voted by post, on first notice of an ordinary meeting of shareholders.</p> <p>There is no quorum required on second notice of an ordinary shareholders' meeting.</p>	<p>The Companies Act 2006 provides that, subject to the company's statutes requiring otherwise, two persons entitled to attend and to vote on the business to be transacted, each being a shareholder present in person or a proxy for a shareholder or a duly authorised representative of a corporation which is a shareholder shall be a quorum.</p>

	<b>Current legal and/or statutory requirements applicable to the Company</b>	<b>Future legal and/or statutory requirements after the Proposed Transfer</b>
<b>Quorum for extraordinary shareholders' meetings</b>	Proposed resolutions may be approved only if a minimum of 25% of the total number of shares to which voting rights are attached are held by the shareholders present, being represented or having voted by post, on first notice of an extraordinary meeting of shareholders, and 20% of the total number of shares on second notice of such meeting.	The Companies Act 2006 does not refer to the term "extraordinary" general meeting. Instead, all meetings of shareholders are referred to as general meetings, other than a company's annual general meeting. Accordingly, the quorum requirements set out above will apply to any meeting of the company's shareholders.
<b>Location of shareholders' meetings</b>	Article 17 of the Company's statutes provides that meetings of the Company's shareholders must be held in any location within Metropolitan France and Belgium, pursuant to the admission to trading of the Company's shares on NYSE Euronext Brussels.	There is no requirement as to the location of shareholder meetings under English law. Since the Company's shares will continue to be admitted to trading on NYSE Euronext Brussels after the Proposed Transfer, it is expected that general meetings will continue to be held in Brussels.
<b>Meeting requisition by shareholders</b>	Article 55 §1 of the SE Regulation provides that any one or more shareholders holding at least 10% of the subscribed share capital may request that the Board of the SE convene a general meeting, and draw up an agenda for that meeting. The SE Regulation further provides that the SE statutes, or the local law of the jurisdiction in which the SE is registered, may provide that a smaller proportion of shareholders may request a general meeting.	English law provides that the holders of 5% of the shares in issue can issue a requisition for convening a shareholders' meeting. Accordingly, this lower threshold will apply to the Company following the Proposed Transfer.
<b>Requisition of a resolution or matter by the shareholders</b>	One or several shareholders representing in excess of the minimum fraction of the share capital as required by applicable legal and regulatory provisions may request the addition to the meeting's agenda of matters or draft resolutions, provided that such request is made within the 20-day period following the date of issue of the meeting's notice, and not earlier than the 25 <sup>th</sup> day preceding the date of the meeting.	Shareholders who hold at least 5% of the voting shares can issue a requisition for a resolution or a "matter" to be considered at the company's annual general meeting and require the company to circulate notice of it to the shareholders.
<b>Quorum for Board meetings</b>	The quorum for Board meetings is no less than one half of the number of directors participating in the meeting.	The statutes propose that quorum requirements reflect the provisions of the SE Regulation, which will mean that there is no change in quorum requirements for Board meetings following the transfer.
<b>Board decision-making</b>	Board decisions are taken by way of a majority vote. If the numbers of directors' votes for or against a proposal are equal, the Chairperson or other director chairing the meeting has a second or casting vote.	The proposed statutes require decisions to be made by a majority vote of the participating directors and that the Chairperson will have a second or casting vote.

	<b>Current legal and/or statutory requirements applicable to the Company</b>	<b>Future legal and/or statutory requirements after the Proposed Transfer</b>
<b>Board member retirement</b>	The Board members are appointed for a four-year mandate.	The proposed statutes to be adopted by the Company will require that all board members retire from office at the Company's first annual general meeting after the Proposed Transfer, and at each annual general meeting thereafter.
<b>Board members' residency requirements</b>	French law does not impose any residency requirements for the members of the Board.	English law does not impose any residency requirements for the members of the Board. Accordingly, the Proposed Transfer will not require any Board member to relocate to the UK.
<b>Location and transfer of the Company's registered office</b>	The Company's registered office may be transferred in any location of the Meurthe-et-Moselle département upon decision of the Board, and anywhere in France if approved by the shareholders in an extraordinary meeting. As the Company is now a SE, its registered office may be transferred in any EU Member State provided such transfer is approved in an extraordinary meeting.	English law permits the registered office of a company to be at any place in England and Wales and to be moved within England and Wales by a decision by the Board. As the Company is now a SE, it can transfer its registered office to another EU Member State, subject to approval of the general meeting (see above).
<b>Term of the Company</b>	Under French company law, the term of the Company is 99 years from the date of its initial registration with the Trade and Companies Register.	A company registered in England and Wales is not required to be incorporated for a fixed term. Accordingly, following the Proposed Transfer, the Company's term will be unlimited, and the fixe 99 year term will cease to apply.
<b>Derivative actions</b>	French law does not permit such actions to be undertaken by the shareholders of a company.	A minority of shareholders may bring an action in their own name seeking a remedy on behalf of a company in respect of a wrong done to it. Proceedings are generally brought by a company in its own name and, as such, derivate actions are exceptional. Derivate actions are generally permitted for negligence, default, breach of duty or breach of trust by a Board member.
<b>Unfair prejudice action</b>	A shareholder may apply to the court by petition for an order on the ground that a company's affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of its shareholders, including at least himself or herself, or that any actual or proposed act or omission to the company is or would be so prejudicial.	This is the same under company law in England and Wales.
<b>Statutory auditors</b>	Statutory auditors are appointed by an ordinary meeting for a six-year mandate, which they have to perform together with a second statutory auditor also appointed for a 6 year period.	A statutory auditor must be appointed by ordinary resolution for each financial year.

	<b>Current legal and/or statutory requirements applicable to the Company</b>	<b>Future legal and/or statutory requirements after the Proposed Transfer</b>
		Typically, the auditor will be appointed (or re-appointed, as the case may be) at the company's annual general meeting.
<b>Accounting standards</b>	French accounting standards must be used for preparing statutory accounts, while IFRS must be used for preparing consolidated accounts.	IFRS must be used for preparing consolidated accounts, and may be also used for preparing statutory accounts instead of UK GAAP.
<b>Major interests in shares / shareholding reporting thresholds</b>	<p>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 article L.233-7 of the French Commercial Code, shall comply with applicable reporting requirements within the timeframe indicated by article R.233-1 of the same code.</p> <p>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.</p>	Subject to certain limited exceptions, any person who becomes the holder, or is already the holder, of 3% or more of the Company's voting rights, for as long as the Company's shares are admitted to trading on NYSE Euronext, is required to notify the Company of the extent of his voting rights and any whole percentage change in his voting rights (e.g. 4%, 5%, etc.).
<b>Application of the Takeover Code</b>	The Takeover Code does not apply to public companies not resident in the UK.	The Takeover Code will apply to the Company after completion of the Proposed Transfer.
<b>Mandatory public offerings</b>	<p>Subject to certain exceptions, when a natural or legal person, acting alone or in concert with others, comes to hold, directly or indirectly, more than 30% of the shares carrying voting rights, or more than 30% of the voting rights in the company, such person must give notice of that holding to the AMF (and to the Financial Services and Market Authority in Brussels in the case of the Company) and make a mandatory offer for the entire issued share capital of that company.</p> <p>Subject to certain exceptions, the requirement to make a mandatory public offering also applies to those persons (i) who hold, directly or indirectly, an interest in shares representing between 30% of the shares forming the share capital of the company and/or the voting rights in that company, and 50% of the total number of issued shares and/or voting rights in that company, and (ii) within less than 12 consecutive months, increase their interest in shares carrying voting rights and/or voting by a</p>	<p>Subject to certain exceptions, the Takeover Code provides that a person may not acquire any interest in shares in a company which, when aggregated with the shares in which he is already interested, would carry 30% or more of the voting rights in that company. If an exception to this rule applies (e.g. where a person acquires shares from a single shareholder), and a person becomes interested in shares carrying 30% or more of the voting rights, that person must make a mandatory offer in cash (or a cash alternative) for the entire issued share capital of the company at no less than the highest price paid by the person during the 12 months prior to the announcement of the offer.</p> <p>Similarly, where any person is interested in shares which carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is</p>

	<b>Current legal and/or statutory requirements applicable to the Company</b>	<b>Future legal and/or statutory requirements after the Proposed Transfer</b>
	minimum of 2% of the total number of issued shares and/or voting rights of that company.	interested, such person shall extend offers to the holders of the entire issued share capital of the company. Once any shareholder holds shares carrying in excess of 50% of the voting rights in the company, such shareholder will not be required to make a mandatory offer for the entire issued share capital of the company if he acquires any further interest in the company's shares which increases the percentage of shares carrying voting rights in which he is interested.
<b>Squeeze-out procedures/ Dissenters' rights</b>	Subject to certain conditions, and in accordance with applicable regulations, minority shareholders may have their shares repurchased, notably in the following cases: - when the majority shareholder or shareholders, acting alone or in concert, hold shares carrying in excess of 95% of the voting rights in the company, minority shareholders may request from the AMF (which may accede to the request in its absolute discretion) that it requires from the majority shareholder or shareholders, to make an offer for those minority shareholders' shares; or - when the AMF, if made aware by the controlling shareholder or shareholders of a substantial change in the statutes of a company or certain major decisions, decides that the controlling shareholder or shareholders have to make an offer to the minority shareholders of that company.	Subject to certain conditions, shareholders may make an application to the court for relief, in certain limited circumstances, including: - where shareholders holding not less than 5% of the company's issued share capital object to an application by a public company to be re-registered as a private company; - where shareholders holding not less than 15% of the class of shares in question object to a proposed variation of the rights attaching to such class of shares; - in a takeover situation, where the offeror has acquired 90% of the issued share capital of a company, and a shareholder objects to his or her shares being compulsorily acquired by the offeror; and - a shareholder can give notice to the bidder if the shareholder has made an application to the court that the bidder should not be entitled to acquire his or her shares.
<b>Shareholders' right to obtain information and documents</b>	Shareholders have ongoing information rights and specific information rights prior to any general meeting. As a result, shareholders may in particular be sent certain documents, may inspect certain documents at the company's registered office (primarily financial statements and reports thereon, as well as on proposed resolutions). In addition, subject to certain conditions, and in accordance with applicable regulations, shareholders may ask questions on the Company's affairs to the Board and/or to its Chairman.	

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

*Please note that this memorandum is an unofficial translation (provided only for the convenience of English-speaking shareholders) of the memorandum on the Proposed Transfer, 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 memorandum 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).*