

# VALTECH

A French joint stock company ("*société anonyme*") with a share capital of EUR 1,351,534.90056  
Registered office: 80, avenue Marceau – 75008 Paris

Paris Trade and Companies' Register No. 389 665 167

## BOARD OF DIRECTORS' REPORT

### ON THE EXTRAORDINARY RESOLUTIONS SUBMITTED TO

### THE COMBINED GENERAL MEETING OF 17 JUNE 2008

Dear Shareholders,

We have called this extraordinary general meeting in order to submit the following to you:

1/ Delegation of powers granted to the Board of Directors for purposes of increasing the share capital for the benefit of the Company's or its Group companies' employees who invest in a company saving plan,

2/ Update of the Articles of Incorporation in accordance with the Order of 24 June 2004, the law of 26 July 2005, the Decree of 11 December 2006, and the Decree of 25 March 2007.

\* \* \*

#### **1/ Delegation of powers to be granted to the Board for purposes of increasing the share capital for the benefit of the Company's or its Group companies' employees who invest in a company saving plan**

The shares held by the Company's staff which are managed collectively, or of which the interested parties cannot freely dispose, account for less than 3% of the share capital.

Therefore, in accordance with the provisions of Articles L.225-129-6(2) of the French Commercial Code, we propose that, in the context of the three-year consultation with the shareholders provided for by such Article, you reserve a share capital increase in cash for the Company's employees, in the conditions set forth in Articles L.3332-18 to L.3332-24 of the French Labour Code.

However, as this proposal does not fall within the Company's projects for the time being, your Board of Directors disapproves it.

**Therefore, we ask you to dismiss the resolution submitted to you in this respect.**

However, should the General Meeting decide to proceed with this transaction, we propose that you:

- decide that the Chairman & Managing Director shall have a maximum one-year period from this day to implement a company saving plan in the conditions set out in Articles L.3332-1 to L.3332-8 of the French Labour Code;
- grant comprehensive powers to the Board of Directors to decide, in the proportion and at the time it will deem fit, on one or more increases within the maximum limit of 3% of the Company's share capital existing on the date on which it makes its decision, by way of the issue of new shares

paid up in cash, the subscription for all shares to be issued being reserved for employees of Valtech and of the companies related to it within the meaning of Article L.225-180 of the French Commercial Code and investing in a company saving plan;

- decide that the subscription price of new shares, as set by the Board of Directors in accordance with the provision of Article L.3332-19 of the French Labour Code upon each issue, will be equal to 100% of the average share prices quoted on the Eurolist market in the twenty (20) trading sessions of the stock market preceding the day when the Board of Directors decides on the date on which the subscription is opened;
- this authorisation will entail that the shareholders automatically waive their preferential right to subscribe for shares to be issued for the benefit of members of the Company's saving plan;
- decide that the recipients of the share capital increases authorised under this resolution will be employees members of the saving plan of the Company or of any companies related to it within the meaning of Article L.225-180 of the French Commercial Code, and satisfying the conditions that may be set by the Board of Directors;
- decide, in accordance with Article L.225-129-4 of the French Commercial Code, that the Board of Directors may delegate the power conferred upon it under this resolution to the Managing Director or, with the latter's consent, to one or more deputy managing directors, within the limits it will have previously set.

The other conditions of the transaction would be included in additional reports, consistent with the requirements of Article R.225-116 of the French Commercial Code, which the Board of Directors and the statutory auditors would prepare at the time when the Board of Directors uses this delegation.

It is recalled that this consultation should be renewed every three years for as long as the employee's collective shareholding in the Company remains lower than 3%.

This delegation of powers would be valid for eighteen months from the General Meeting.

Should you agree, you will grant comprehensive powers to the Board of Directors for purposes of:

- deciding on the date and conditions for the issues that will be carried out under this resolution; in particular, decide whether the shares will be subscribed directly or through the intermediary of a common investment fund or of an entity in accordance with current legislation; fix the issue price of new shares to be issued in accordance with the rules defined above, the dates of opening and closing of the subscriptions, the vesting date, even retroactively, the time period for payment within a maximum period of three years;
- where applicable, setting the conditions that will have to be satisfied by the recipients of the new shares resulting from the share capital increases under this resolution, drawing up a list of recipients and the maximum number of shares that may be subscribed by each of them, per issue;
- seeing that the completion of the share capital increases complies with the amount of shares effectively subscribed;
- carrying out all steps and formalities directly or through an intermediary;
- amending the Articles of Incorporation in accordance with the share capital increases;
- assigning the costs incurred in connection with the share capital increases to the amount of the premium in relation to each increase;

- entering into any agreement, in particular, to complete the proposed transaction(s), taking all steps necessary for the issue, the quotation, and for the financial service of the shares issued under this delegation as well as for the exercise of the related rights;
- and, generally, taking all necessary steps;

Pursuant to Article L.225-129-4 of the French Commercial Code, that the Board of Directors may delegate the power conferred upon it under this resolution to the Managing Director or, with the latter's consent, to one or more deputy managing directors, within the limits it will have previously set;

We highlight the fact that:

- this delegation will cause any prior delegation with the same subject-matter to lapse as of today, within the limit, where necessary, of the unused portion thereof;
- this delegation may be used during a public offer for the purchase or exchange of the Company's securities in accordance with legal and statutory provisions;
- in the event that the Board of Directors were to use this delegation, the Board will report to the next ordinary general meeting, in accordance with Articles L.225-100 and L.225-129-5 of the French Commercial Code, on the use that will be made thereof.

**4/ Update of the Articles of Incorporation in accordance with the Order of 24 June 2004, the law of 26 July 2005, the Decree of 11 December 2006, and the Decree of 25 March 2007**

In order to update the Company's Articles of Incorporation in accordance with the provision of the 24 June 2004 Order and the 26 July 2005 Law, of the 11 December 2006 Decree, and of the 23 March 2007 Decree, we propose changing Articles 15, 17, 22, 25, 27, 30, 31 and 32 of the Articles of Incorporation as set forth in the fifteenth resolution proposed to the general meeting. No substantial change is proposed. For instance, the Articles of Incorporation will be updated to include the new legal quorums automatically applying to listed companies, reference to priority dividend shares, which no longer exist under the law, has been removed, the Company's Chairman's assignment has been redefined to include the legal wording, etc.

We propose that you also decide to substitute the term "New Commercial Code" with "Commercial Code" in each relevant article in the Articles of Incorporation, as well as references to the Decree of 23 March 1967 relating to Business Companies in order to reflect its codification under the statutory section of the French Commercial Code.

ooo ooo ooo

We remain available to provide you with any further clarification you may wish.

We will now read the statutory auditors' reports in connection with the delegation.

Should you agree, we invite you to approve the resolutions with which you have been presented, except for that relating to the share capital increase in favour of employees of the Company or its Group investing in a corporate saving plan, for the reasons given above.

**BOARD OF DIRECTORS**