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BOARD OF DIRECTORS' REPORT AND PROPOSED RESOLUTIONS OF THE SHAREHOLDERS' MEETING OF MAY 15, 2013

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7.1. Ordinary Shareholders' Meeting

→ PROPOSED RESOLUTIONS 1 TO 3 – APPROVAL OF THE FINANCIAL STATEMENTS – APPROPRIATION OF EARNINGS – DIVIDENDS

Board of Directors' Report:

By voting on the first and second resolutions, we ask you to approve the annual and consolidated financial statements of the fiscal year ending December 31, 2012.

The purpose of the third resolution is to allocate the net income of the fiscal year 2012 and to set the dividend.

We propose you the distribution of a total dividend of 121,761,515.52 euros corresponding to a dividend per share of 2.56 euros. This is a gross amount excluding social charges (currently 15.5%). The dividend will be paid as from May 29, 2013. If the number of shares carrying rights to the dividend is not 47,563,092, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be determined on the basis of the amount of the dividends actually paid.

In accordance with article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to article 158-3 of this Code, to the French tax resident individuals. Dividends paid from January 2013 are subject to the compulsory withholding tax provided by Article 117 quarter CGI as amended (currently 21%), as a type of installment payment against the final individual income tax. A withholding-exemption can be claimed under certain conditions by the beneficiary until the end of November of the previous year and exceptionally until March 31 for dividends paid in 2013. The compulsory withholding tax is held by the Bank.

We remind you that the dividends paid during the last three years (income eligible for the tax allowance granted according to Article 158-3 of French Tax Code) amount to:

- 2.40 euros (including an exceptional dividend of 1 euro) for fiscal year 2009;
- 1.90 euro for fiscal year 2010;
- 4 euros (including an exceptional dividend of 1.80 euro) for fiscal year 2011.

Proposed resolution 1 – Approval of the Statutory Accounts of the Fiscal Year 2012

The shareholders, after having considered the reports of the Board of Directors, of the Chairman of the Board of Directors and of the Statutory Auditors and having heard the additional explanations given during the meeting, approve the annual financial statements of the fiscal year ending December 31, 2012. They also approve all the transactions presented in these accounts or summarized in these reports.

Proposed resolution 2 – Approval of the Consolidated Financial Statements of the Fiscal Year 2012

The shareholders, after having considered the reports of the Board of Directors, of the Chairman of the Board of Directors and of the Statutory Auditors and having heard the additional explanations given during the meeting, approve the consolidated financial statements of the fiscal year ending December 31, 2012. They also approve all the transactions presented in these accounts or summarized in these reports.

Proposed resolution 3 – Appropriation of Earnings – Dividends

The shareholders set total net income after tax for the fiscal year ending December 31, 2012 at 173,647,194.22 euros and decide to allocate this amount in the following manner (in euros):

Net income for 2012	173,647,194.22
To add:	
• Retained earnings before appropriation of earnings	296,986,079.30
TOTAL OF DISTRIBUTABLE INCOME	470,633,273.52
Appropriation of earnings:	
• Dividends (except the shares held by the Company)	121,761,515.52
• Retained earnings after appropriation of earnings	348,871,758.00
TOTAL EQUAL TO DISTRIBUTABLE INCOME	470,633,273.52

The amount of the dividends for the fiscal year ending December 31, 2012 will be 121,761,515.52 euros corresponding to a dividend per share of 2.56 euros. This is a gross amount excluding social charges. It will be paid as from May 29, 2012. If the number of shares carrying rights to the dividend is not 47,563,092, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be adjusted on the basis of the amount of the dividends actually paid.

In accordance with Article 243 bis of the French Tax Code (CGI), it is hereby specified that the total dividend will be eligible for the 40% tax allowance granted, according to Article 158-3 of this Code, to the French tax resident individuals. Dividends paid from January 2013

are subject to the compulsory withholding tax provided by Article 117 quarter CGI (as amended), as a type of installment payment against the final individual income tax. A withholding-exemption can be claimed under some conditions by the beneficiary until the end of November of the previous year and exceptionally until March 31 for dividends paid in 2013. The compulsory withholding tax is held by the Bank.

In accordance with the law, we also remind you that the following dividends were distributed during the last three years:

FISCAL YEAR	NUMBER OF SHARES	DIVIDEND PER SHARE <i>(in euros)</i>	DIVIDEND ENTITLED TO THE TAX ALLOWANCE DEFINED IN ART. 158-3 OF THE CGI ^(b) <i>(in euros)</i>
2009	48,563,442	2.40 ^(a)	2.40
2010	47,702,203	1.90	1.90
2011	47,401,064	4.00 ^(c)	4.00

(a) Including 1 euro of exceptional dividend.

(b) French Tax Code (CGI).

(c) Including 1.80 euro of exceptional dividend.

→ PROPOSED RESOLUTION 4 – DETERMINATION OF THE AMOUNT OF THE DIRECTORS' FEES

Board of Directors' Report:

It is proposed to set the amount of the Directors' fees to be allocated to the Board of Directors for fiscal year 2013 to 310,000 euros, which represents an increase of 2.3% compared with the package voted by the shareholders for fiscal year 2012 (303,000 euros).

Proposed resolution 4 – Determination of the amount of the Directors' fees

The shareholders decide to set the annual amount of the Directors' fees to be allocated to the Board of Directors for the fiscal year 2013 at 310,000 euros.

→ **PROPOSED RESOLUTION 5 – AUTHORIZATION TO GIVE TO THE BOARD OF DIRECTORS TO UNDERTAKE OPERATIONS WITH REGARDS TO THE SHARES OF THE COMPANY**

Board of Directors' Report:

We propose you to authorize the Board of Directors to buyback by any means, once or several times, the shares of the Company in accordance with the legislation in force.

This authorization may not be used during public offers of the Company's shares, except with the prior and express authorization given by the shareholders.

The Company would be authorized, during a period of 18 months, to buyback its own shares, and for a maximum price per share of 125 euros:

- **within the limit of 10% of the share capital** on the date of the Board of Directors' decision to buyback the shares and for a maximum amount of 600 million euros. This authorization would be used to fulfill the following objectives:
 - provide liquidity in the securities market pursuant to a liquidity agreement managed by an external service provider,
 - allow their subsequent remittance as payment, exchange or otherwise, within the scope of external growth operations (with the exception of mergers, demergers or contribution operation mentioned below),
 - remit the shares at the moment of the exercise of rights attached to the securities giving access to the Company's share capital,
 - allocate them to employees and/or officers (in the scope of an employees profit sharing scheme, a stock option program, free allocations of shares, etc.),
 - cancel the shares,
 - implement any market practice authorized by the Paris Stock Exchange Authority (AMF);
- **within the limit of 5% of the share capital** on the date of the Board of Directors' decision to buyback the shares and for a maximum global amount of 300 million euros. The shares would be bought back in order to be kept and subsequently remitted as payment or exchange within the scope of a merger, demerger or contribution operation.

Operations realized in 2012 within the framework of the previous authorizations:

During the fiscal year 2012, SOCIÉTÉ BIC:

- bought back 20,878 shares at an average price of 76.15 euros, according to the share buy-back program authorized by the Annual Shareholders' Meetings on May 11, 2011 and May 10, 2012;
- within the scope of the liquidity agreement with Natixis, bought back 295,065 shares at an average price of 82.51 euros and sold 292,798 shares at an average price of 82.60 euros.

Brokerage fees related to all sale and buy-back transactions disclosed above amounted to 26,901.44 euros.

The Board of Directors cancelled no shares in 2012. During the last 24 months, SOCIÉTÉ BIC cancelled 1,213,559 shares, representing 2.51% of the share capital as of December 31, 2012.

Moreover, in 2012, under the free shares plans:

- 159,940 performance shares were granted;
- 20,050 shares were granted without performance conditions to employees of the Group who are neither Corporate Officers nor members of the Leadership team;
- 36,892 performance shares were transferred to beneficiaries following the achievement of performance conditions.

Proposed resolution 5 – Authorization to give to the Board of Directors to undertake operations with regards to the shares of the Company

The shareholders, deliberating in compliance with the provisions of Article L. 225-209 of the French Commercial Code, of the General Regulation of the Paris Stock Exchange Authority (AMF), of European Commission Regulation N° 2273/2003 of December 22, 2003, and after considering the report of the Board of Directors, authorize the Board of Directors to buyback by any means, once or several times, the shares of the Company:

1. Within the limit of a number of shares representing a maximum of 10% of its share capital on the date of the Board of Directors' decision to buyback the shares:
 - for a maximum amount of 600 million euros, under the conditions and limits provided by the laws and regulations in force,

- for a maximum purchase price of 125 euros, exclusive of costs.

In accordance with the above-mentioned dispositions and with the market practices allowed by the Paris Stock Exchange Authority (AMF), this authorization can be used by the Board of Directors in order to:

- provide liquidity and stimulate the market of the securities of the Company through an investment service provider acting independently in the name and on behalf of the Company, pursuant to a liquidity agreement compliant with professional ethics standards recognized by the Paris Stock Exchange Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations (with the exception of mergers, demergers or contribution operations referred to in paragraph 2 below) in accordance with the market practices approved by the Paris Stock Exchange Authority;

- remit them at the moment of the use of rights attached to the securities giving access to the Company's share capital by reimbursement, conversion, exchange, presentation of a bond or by any other means;
 - allocate them to employees and managers under the conditions and according to the methods prescribed by the law, notably within the scope of employees profit sharing scheme, the stock option program, the free allocation of shares plan or through an employee saving scheme;
 - cancel them entirely or partly, according to the conditions provided by the regulations in force, by reducing accordingly the share capital, within the limit of 10% of the capital existing on the cancellation date, by periods of 24 months, subject to the adoption at the Extraordinary Shareholders' Meeting of resolution 10 hereunder;
 - implement all market practices which may be authorized by the Paris Stock Exchange Authority.
2. Within the limit of a number of shares representing a maximum of 5% of its share capital on the date of the Board of Directors' decision to buyback the shares:
- for a maximum amount of 300 million euros,
 - for a maximum purchase price fixed at 125 euros, exclusive of costs;

and in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation.

The limits provided in paragraphs 1 and 2 above are not cumulative and the Company cannot at any time, directly or through a third party, hold more than 10% of the total number of its own shares forming the share capital.

The acquisition, assignment, transfer or exchange of shares can be carried out by the Board of Directors by any means, once or several times, notably on the market, by mutual consent or in block and if necessary, having recourse to option mechanisms or to derivative financial instruments negotiated on a regulated market or by mutual consent, excluding the sale of sale options, according to the conditions authorized by the legal, regulatory and stock exchange rules, and at the time when the Board of Directors or its proxy shall deem appropriate, and possibly by a third party acting on behalf of the Company in compliance with the provisions of the last paragraph of Article L. 225-206 of the French Commercial Code. It is specified that the part of the share buyback program realized by acquisition or transfer of blocks of shares may represent the entire program.

The shareholders decide that the maximum purchase price per share, excluding cost, should not exceed that of the last isolated transaction or, if it is higher, that of the highest current isolated offer on the market where the purchase is made.

In the case where the options provided in the fifth paragraph of Article L. 225-209 of the French Commercial Code were used, the sale price (in case such a sale price would be necessary) shall thus be determined according to the legal provisions in force.

The acquisition of shares of the Company realized pursuant to this authorization shall also comply with the rules enacted by the Paris Stock Exchange Authority regarding the conditions and the periods of intervention on the market. The Company shall abstain from buying more than 25% of the daily average quantity of shares negotiated on the regulated market where the purchase is made.

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 10, 2012 (Resolution 5). This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting. This authorization may not be used during public offers of the Company's shares, except with the prior and express authorization given by the shareholders.

In compliance with the provision of Article L. 225-210 of the French Commercial Code, the shares of the Company acquired pursuant to this authorization must be registered and must be entirely paid up upon their acquisition. These acquisitions must not have the effect of reducing the net equity to an amount lower than that of the capital increased by non distributable reserves. Finally, the Company must have reserves (other than the legal reserve) amounting to at least the value of all the shares that the Company owns directly or through a third party.

Within the scope of its global financial management, the Company reserves itself the possibility of using part of its available financial resources to finance the purchase of the shares and to resort to debt to finance the additional needs that may exceed its internal financing.

The Board of Directors shall inform the shareholders, in its annual management report, of the operations realized pursuant to this authorization.

The shareholders confer all powers to the Board of Directors to implement this share buyback program and notably to:

- appreciate the appropriateness and proceed with the share buyback authorized by this resolution;
- prepare and publish, before the realization of a share buyback program, a description of the share buyback program, according to the conditions and methods set by the general rules and regulations of the Paris Stock Exchange Authority;
- place all orders, conclude all agreements in particular regarding the up-keeping of the purchases and sales register;
- inform the market and the Paris Stock Exchange Authority of operations carried out, in compliance with the general rules and regulations of the Paris Stock Exchange Authority;
- delegate to the Chief Executive Officer or, in agreement with the latter, to one or several Executive Vice-Presidents, authority necessary for the realization of the share buyback program;
- make all declarations and carry out any other formalities and, as a general rule, do all that is necessary to carry out the forgoing authorization.

➔ **PROPOSED RESOLUTIONS 6 TO 7 – REAPPOINTMENT OF MR. BRUNO BICH AND MR. MARIO GUEVARA AS DIRECTORS OF THE BOARD**

Board of Directors' Report:

It is proposed to the shareholders to reappoint Bruno BICH and Mario GUEVARA as Directors for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2016 upon the approval of the accounts of the fiscal year ending December 31, 2015.

• **Bruno BICH**

Age: 66.

Holds BIC shares directly and indirectly through the familial holding, SOCIÉTÉ M.B.D. On December 31, 2012, SOCIÉTÉ M.B.D. held 26.13% of SOCIÉTÉ BIC share capital and 36.65% of the voting rights.

Director of the Board of SOCIÉTÉ BIC since June 2, 1986.

Chairman and Chief Executive Officer of SOCIÉTÉ BIC from May 27, 1993 to February 28, 2006.

He has been Chairman of the Board of Directors since March 1, 2006.

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
Groupe EDHEC	France	Member of International Advisory Board
Harlem Academy	USA	Trustee

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Management Institute of Paris – M.I.P. (merged with Groupe EDHEC)	France	Co-founder and Member of the Supervisory Board
Imperial Tobacco ^(a)	United-Kingdom	Director of the Board

(a) Listed company.

• **Mario GUEVARA**

Age: 53.

Holds 10,552 BIC shares.

Director of the Board of SOCIÉTÉ BIC since May 22, 2001.

Chief Executive Officer of SOCIÉTÉ BIC since March 1, 2006, Mario Guevara was General Manager for North, Central and South America from 2001 to March 10, 2004 and then Executive Vice-President until February 28, 2006.

Other current mandates or functions:

COMPANY	COUNTRY	MANDATE/FUNCTION
BIC Chile SA ^(a)	Chili	Chairman of the Board
BIC Japan KK ^(a)	Japan	Director of the Board
BIC CORPORATION ^(a)	USA	Chairman of the Board Chief Executive Officer Director of the Board
BIC INTERNATIONAL, CO ^(a)	USA	Chief Executive Officer Director of the Board

(a) BIC Group.

Expired mandate or function in the previous five years (non BIC Group companies):

Not applicable.

Proposed resolution 6 – Reappointment of Mr. Bruno BICH as Director of the Board

The shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. Bruno BICH as Director of the Board.

The term of the mandate of Mr. Bruno BICH will thus expire at the end of the Shareholders' Meeting called to vote in 2016 upon the approval of the accounts for the fiscal year ending December 31, 2015.

Proposed resolution 7 – Reappointment of Mr. Mario GUEVARA as Director of the Board

The shareholders decide to renew, for a period of three fiscal years, the mandate of Mr. Mario GUEVARA as Director of the Board.

The term of the mandate of Mr. Mario GUEVARA will thus expire at the end of the Shareholders' Meeting called to vote in 2016 upon the approval of the accounts for the fiscal year ending December 31, 2015.

→ PROPOSED RESOLUTION 8 – APPOINTMENT OF MS. ELIZABETH BASTONI AS NEW DIRECTOR OF THE BOARD

Board of Directors' Report:

It is proposed to the shareholders to appoint Elizabeth BASTONI as Director, in replacement of Gilles Pélisson, who has been a Director for twelve years and cannot be considered any longer as independent as per the definition of the AFEP/MEDEF Code. Elizabeth Bastoni would be appointed for a period of three fiscal years until the end of the Shareholders' Meeting called to vote in 2016 upon the approval of the accounts of the fiscal year ending December 31, 2015.

• **Elizabeth BASTONI**

Age: 47.

Holds 836 BIC shares.

Elizabeth BASTONI is Director of The Rezidor Hotel Group since April 2011. In addition, she has been given a mission of Human Resources consultant by BIC Corporation for a period of four months (January-April 2013).

Having lived and worked over 18 years in France, Elizabeth Bastoni held various positions at KPMG, Lyonnaise des Eaux and Thales. She was Head of global Compensation, Benefits and Mobility for The Coca-Cola Company in Atlanta (USA) from 2005 to 2010. From February 2011 to October 2012, she was Executive Vice-President, Chief Human Resources and Communications Officer for Carlson Inc. From March 2011 to October 2012, she was a Director of Carlson Wagonlit Travel (Chairman of the Compensation Committee).

Expired mandates or functions in the previous five years (non BIC Group companies):

COMPANY	COUNTRY	MANDATE/FUNCTION
Carlson Wagonlit Travel	Netherlands	Director of the Board Chairman of the Compensation Committee
Carlson	USA	Executive Vice-President Chief Human Resources and Communications Officer
World at Work	USA	Director of the Board Chair of Governance Committee
The Coca-Cola Company ^(a)	USA	Head of Global Compensation, Benefits and Mobility

(a) Listed company.

Proposed resolution 8 – Appointment of Ms. Elizabeth BASTONI as Director of the Board

The shareholders decide to appoint, for a period of three fiscal years, Ms. Elizabeth BASTONI, domiciled 14 rue Jeanne d'Asnières 92110 Clichy, as Director of the Board.

The term of the mandate of Ms. Elizabeth BASTONI will thus expire at the end of the Shareholders' Meeting called to vote in 2016 upon the approval of the accounts for the fiscal year ending December 31, 2015.

7.2. Extraordinary Shareholders' Meeting

→ PROPOSED RESOLUTION 9 – MODIFICATION OF THE CORPORATE PURPOSE

Board of Directors' Report:

It is proposed to the shareholders to slightly modify the corporate purpose of the Company in order to take into account the development of the Group activities, particularly the digital solution BIC® Éducation providing educational tools.

• **New version:**

"Article Three – Corporate purpose

The Company's corporate purpose is, in all countries, the purchase, the sale, the commissioning, the brokerage, the representation, the manufacturing, the exploitation, the import and export of all tangible and intangible properties, and in particular of all which is used for writing.

And generally speaking all personal, real, financial, industrial or commercial operations pertaining directly or indirectly to the foregoing purpose or to all similar or related purposes or to purposes that could serve to promote the extension or development of the foregoing purpose.

The Company may carry out all operations falling within its purpose, either alone and for its own account, or for the account of third parties, as representative, licensee or intermediary, for the commissioning, brokerage, subcontracting, as lessee, farmer, manager, in a joint venture or partnership, in any form whatsoever".

Proposed resolution 9 – Modification of the corporate purpose

The shareholders, after having considered the report of the Board of Directors, decides to extend the corporate purpose to intangible properties and to subsequently modify article 3 of the Articles of incorporation, which will read as follows:

"Article Three – Corporate purpose

The Company's corporate purpose is, in all countries, the purchase, the sale, the commissioning, the brokerage, the representation, the manufacturing, the exploitation, the import and export of all tangible

and intangible properties, and in particular of all which is used for writing.

And generally speaking all personal, real, financial, industrial or commercial operations pertaining directly or indirectly to the foregoing purpose or to all similar or related purposes or to purposes that could serve to promote the extension or development of the foregoing purpose.

The Company may carry out all operations falling within its purpose, either alone and for its own account, or for the account of third parties, as representative, licensee or intermediary, for the commissioning, brokerage, subcontracting, as lessee, farmer, manager, in a joint venture or partnership, in any form whatsoever".

→ PROPOSED RESOLUTION 10 – AUTHORIZATION TO GIVE TO THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLATION OF SHARES ACQUIRED IN COMPLIANCE WITH ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE

Board of Directors' Report:

We propose you to renew the authorization given to the Board of Directors, for a period of 18 months, to:

- cancel, within the limit of 10% of the share capital by periods of 24 months, all or part of the shares held in the framework of the share buyback program authorized by the fifth resolution and to decrease the share capital accordingly;
- to charge the difference between the buyback price of the cancelled shares and their nominal value on available premiums and reserves.

Proposed resolution 10 – Authorization to give to the Board of Directors to reduce the share capital by cancellation of shares acquired in compliance with Article L 225-209 of the French Commercial Code

The shareholders, after having considered the Board of Directors' report and the Statutory Auditor's report, deliberating in compliance with the provisions of Article L. 225-209 of the French Commercial Code authorize the Board of Directors:

- on its sole deliberations, at the time it deems it necessary, to cancel once or in several times, by a reduction of said share capital accordingly, all or part of the shares of the Company that the Company holds or may hold within the scope of the buyback of shares authorized by previous Shareholders' Meetings or by the fifth resolution above, within the limit of 10% of the share capital existing on the day of the Shareholders' Meeting, by periods of 24 months;
- to charge the difference between the buyback price of the cancelled shares and their nominal value on available premiums and reserves.

The shareholders delegate to the Board of Directors the authority to proceed with the cancellation(s) of these shares, to take note of the reduction(s) of share capital, to charge the difference between the book value of cancelled shares and their nominal value on all reserve accounts or others, to proceed with the modification of the by-laws accordingly, to carry out all formalities, make all declarations with all authorities or administrative bodies and in a general manner, take

all other action that may be necessary to carry out the foregoing authorization.

This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting and replaces the one given at the Shareholders' Meeting held on May 10, 2012 (Resolution 10).

➔ **PROPOSED RESOLUTION 11 – AUTHORIZATION TO GIVE TO THE BOARD OF DIRECTORS TO PROCEED TO FREE GRANTS OF SHARES TO OFFICERS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES**

Board of Directors' Report:

It is proposed that you renew the authorization to the Board of Directors, in accordance with articles L 225-197-1 and following of the French Commercial Code, to grant free existing or to be issued shares, within the limits:

- of 4% of the share capital during 38 months (duration of the present authorization), including a maximum of 0.4% granted to the corporate officers;
- and of the global cumulative limit (with the stock options) of 8% of the share capital.

This authorization would allow continuing to associate more closely the managers and key executives with the development of the shares, as are the shareholders.

The Board of Directors would determine the conditions and the criteria for the grant of these shares and the identity of the beneficiaries of the free grants of shares among the employees, certain categories of them and/or to corporate officers of the Company or companies of the Group, in accordance with the regulations in force.

In any case, the corporate officers and the members of the Leadership Team could be granted only performance shares. Today, the performance is assessed over a three-year period according to the achievement of two objectives:

- net sales growth;
- net cash from operating activities, excluding capital outlays, as a percentage of net sales.

Moreover, under the current policy of the Board of Directors, the corporate officers have to keep 20% of free shares acquired, until their mandate expires. The 20% are reduced to 10% when the Chief Executive Officer owns five years of base salary in BIC shares and when the Executive Vice-Presidents own three years of base salary in BIC shares.

The corporate officers to whom performance shares would be granted will make the formal commitment not to use hedging instruments.

The Board of Directors would determine the period after which the grant of shares would become final (acquisition period) and the minimum retention period of the shares by the beneficiaries. The acquisition and retention periods would be at least two years each.

However, in accordance with the law, if the Board of Directors determines an acquisition period of at least four years, the Board may decide to reduce or remove the retention period. The Board may notably use this option to grant shares taking into account some local constraints applicable to beneficiaries not residing in France.

Moreover, as allowed by article L 225-197-1 of the French Commercial Code, we propose you to decide that in case of an extremely serious infirmity of a beneficiary (second and third categories provided by article L 341-4 of the French Social Security Code), the shares will be definitely granted before the expiration of the remaining acquisition period.

This authorization would include waiver by the shareholders of their preferential right to subscribe shares issued as the shares are granted.

This authorization would be given for a period of 38 months and would replace the authorization given at the Shareholders' Meeting of May 12, 2010 (Resolution 16).

Proposed resolution 11 – Authorization to give to the Board of Directors to proceed to free grants of shares to officers and employees of the company and its subsidiaries

The shareholders, after having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with articles L 225-197-1 and following of the French Commercial Code:

- authorize the Board of Directors to proceed in one or more occurrences, with the free grants of shares of the Company, either existing or to be issued, for the benefit of all the employees, or some of them, certain categories of them and/or to corporate officers of

SOCIÉTÉ BIC and of its connected companies within the meaning Article L 225-197-2 of the Commercial Code;

- decide that the Board of Directors will determine the identity of the beneficiaries of the free grants of shares, the conditions and, if necessary, the criteria for the grant of shares, being specified that the free grant of shares to corporate officers and to members of the Leadership Team must be subject to performance conditions;
- decide that:
 - during the term of this authorization, the total number of shares granted free-of-charge will not exceed 4% of the share capital as of the date of the decision made by the Board of Directors to

grant the shares, including a maximum of 0.4% granted to the corporate officers ;

- the total number of shares granted free-of-charge will not exceed the global cumulative limit (with the stock options) of 8% of the share capital as of the date of the decision made by the Board of Directors to grant the shares;
- decide that the grant of shares to the beneficiaries will be definitive at the end of a minimal acquisition period determined by the Board of Directors. This period shall not be less than two years as from their allotment. The beneficiaries will be obliged to hold the shares for a minimal period determined by the Board of Directors and that shall not be less than two years as from the definitive grant of the shares. However, the shareholders authorize, insofar as the acquisition period for all or part of one or several grants is at least four years, to reduce or remove the period during which the beneficiaries shall hold the said shares;
- decide that, in case of infirmity of a beneficiary corresponding to the second and the third categories provided by article L. 341-4 of the French Social Security Code, the shares will be definitely granted before the expiration of the remaining acquisition period. The said shares will be freely transferable as from their delivery;
- take note that the present authorization automatically includes, on behalf of the beneficiaries, waiver by the shareholders of their preferential right to subscribe shares issued in accordance with this resolution, the share capital increase being definitely completed

with the mere fact of the definitive grant of the shares to the beneficiaries;

- delegate authority to the Board of Directors, with faculty of delegation within the legal and statutory limits, to implement the present authorization, under the above-mentioned conditions and under the limits provided by the rules and regulations in force, and notably:
 - to proceed, if necessary, to adjustments of the number of shares granted in case of modification of the share capital in order to preserve the rights of beneficiaries,
 - to determine the terms and conditions of the issuance that could be realized in accordance with this authorization, the date of possession of the new shares,
 - to proceed to capital increases through incorporation of reserves, profits or premiums, to amend consequently the articles of incorporation,
 - and, generally, carry out all formalities necessary for the issuance, the quotation and the financial service of the shares issued in accordance with this resolution, and to do all that is necessary within the scope of the laws and regulations in force to carry out this delegation.

This authorization is given for a period of 38 months starting from the date of this Shareholders' Meeting and replaces the authorization given at the Shareholders' Meeting of May 12, 2010 (Resolution 16).

→ **PROPOSED RESOLUTION 12 – AUTHORIZATION TO GIVE TO THE BOARD OF DIRECTORS TO GRANT OPTIONS TO SUBSCRIBE FOR AND/OR PURCHASE SHARES OF THE COMPANY TO OFFICERS AND EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES**

Board of Directors' Report:

Under articles L. 225-177 and following of the French Commercial Code, it is proposed to renew the authorization given to the Board of Directors to grant, on one or more occasions, to employees, to some of them, to some categories of them and/or to corporate officers of SOCIETE BIC and of its connected companies, options to subscribe for new shares of the Company or to purchase existing shares of the Company. This authorization would be given within the limits:

- Of 4% of the share capital during 38 months (duration of the present authorization), including a maximum of 0.8% granted to the corporate officers;
- And of the global cumulative limit (with the free shares grants) of 8% of the share capital.

This authorization would allow continuing to associate more closely the managers and key executives with the development of the shares, as are the shareholders.

Each time the Board would use this authorization, the Board would determine the beneficiaries of these options.

In any case, the corporate officers and members of the leadership team could be granted options only under performance conditions. The corporate officers to whom such options would be granted would make the formal commitment not to use hedging instruments.

The subscription or purchase price would be determined by the Board of Directors and could not be lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange preceding the day the options are granted nor lower, for purchase options, than the average purchase price of the shares held by the Company in accordance with articles L. 225-208 and/or L. 225-209 of the Commercial Code.

This authorization would include waiver by the shareholders of their preferential right to subscribe shares issued as the subscription options are exercised.

We propose that the duration of the options could not exceed a ten year period.

This authorization would be given for a period of 38 months and would replace the authorization given at the Shareholders' Meeting of May 12, 2010 (Resolution 17).

Proposed resolution 12 – Authorization to give to the Board of Directors to grant options to subscribe for and/or purchase shares of the Company to officers and employees of the Company and its subsidiaries

The shareholders, after having considered the Board of Directors' report and the Auditors' special report, in accordance with Articles L. 225-177 and following of the French Commercial Code:

- authorize the Board of Directors, to grant, on one or more occasions, to employees, to some of them, to some categories of them and/or to corporate officers of SOCIETE BIC and of its connected companies within the meaning of Article L. 225-180 of the French Commercial Code, options to subscribe for new shares of the Company (resulting in a capital increase) or to purchase existing shares of the Company ;
 - decide that the Board of Directors will determine the identity of the beneficiaries of the options to subscribe for and/or purchase shares, the conditions and, if necessary, the criteria for the grant of options, being specified that the grant of options to corporate officers and to members of the Leadership Team must be subject to performance conditions;
 - determine the duration or period(s) of exercise of the options granted, being specified that the duration of the options could not exceed a ten year period, as from their date of attribution;
 - decide that:
 - during the term of this authorization, the total number of options which will be granted will not give right to subscribe or purchase a number of shares higher than 4% of the share capital as of the date of the decision made by the Board of Directors to grant the options, including a maximum of 0.8% granted to the corporate officers,
 - the total number of the options allocated and still to be exercised will not give right to subscribe more than 8% of the share capital (cumulative limit with the free shares as of the decision made by the Board of Directors to grant the options);
 - decide that:
 - with regard to stock subscription options: the subscription price will be determined on the day the options are granted by the Board of Directors, and cannot be lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange preceding the day the subscription options are granted,
 - with regard to stock purchase options: the purchase price of the shares by the recipients will be determined on the day the options are granted by the Board of Directors, and could be neither lower than the Paris Stock Exchange average share price, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange preceding the day the stock subscription options are granted, nor lower than the average purchase price of the shares held by the Company in accordance with Articles L. 225-208 and/or L. 225-209 of the Commercial Code,
 - decide that no stock subscription or purchase option could be granted:
 - less than twenty sessions of the Paris Stock Exchange after the shares are torn of a coupon giving right to a dividend or to a capital increase,
 - within ten sessions of the Paris Stock Exchange preceding and three sessions following the date on which the financial consolidated statements or, failing this, the financial annual statements are made public,
 - during the period between, on the one hand, the date on which the social bodies of the Company are informed of information which, if it were made public, could have a significant impact on the price of the shares of the Company and, on the other hand, the later date of ten sessions of the Paris Stock Exchange from when this information is made public;
 - acknowledge that the present authorization involves, for the recipients of the stock subscription options, express waiver by the shareholders of their preferential right of subscription for the shares which will progressively be issued as the options are exercised;
 - delegate the authority to the Board of Directors, with the possibility to further delegate under the legal and regulatory applicable rules, to determine the other conditions and details of allocation of the options and of their exercise, and, notably, to:
 - determine the conditions under which the price and the number of shares could be adjusted, in particular in the cases provided in Articles R. 225-137 to R. 225-142 of the French Commercial Code,
 - proceed to any deduction from the reserves and/or premiums of the Company in order to realize the share capital increase(s) resulting from definitive grant of shares to be issued,
 - provide the ability to temporarily suspend the exercise of options, during a three month period at the most, in case of realization of financial transactions implying the exercise of a right attached to the shares,
 - in its sole discretion, and if it considers it convenient, charge the expenses of the capital increases to the amount of the premiums related with these increases and take on this amount the sums necessary to carry the statutory reserve to one tenth of the new capital after each increase,
 - perform or have performed all acts and formalities resulting from the implementation of this authorization, amend the articles of incorporation and, in general, do what is necessary to carry out this delegation.
- This authorization is given to the Board of Directors for 38 months starting from this day. It replaces, for the part not used, the authorization given at the Shareholders' Meeting of May 12, 2010 (Resolution 17).

7.3. Ordinary and Extraordinary Shareholders' Meeting

→ PROPOSED RESOLUTION 13 – AUTHORIZATION TO PERFORM FORMALITIES

Board of Directors' Report:

This resolution allows the performance of the legal formalities following the present Meeting.

Proposed resolution 13 – Authorization to perform formalities

The shareholders grant full power to the bearer of a copy or of an excerpt of the present document to carry out any and all required legal formalities.