

3. Capital

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3.1 Share capital and voting rights

The Company's share capital at December 31, 2019 amounted to EUR2,328,274,220 represented by 582,068,555 shares with a par value of EUR4, all fully paid up. 608,274,947 voting rights were attached to the 582,068,555 outstanding shares as at December 31, 2019.

3.2 Potential capital

At December 31, 2019, the potential capital consisted of 250,562 shares under the performance shares or stock grant plans 24, 28, 29bis, 30, 31bis, 32 and 34 relating to existing shares or shares to be issued, as may be determined later.

The potential maximum dilution in case of issue of all the shares resulting from the stock grants and performance shares would be 0.04% of share capital at December 31, 2019.

3.3 Authorizations to issue shares

The Ordinary and Extraordinary Shareholders' Meetings of April 25, 2019 authorized the board of directors:

- 1) to increase the Company's capital by capitalizing reserves, earnings or additional paid-in-capital;
- 2) to increase the share capital by a maximum nominal value of EUR800 million (200 million shares) by issuing shares or share equivalents with a ceiling of:
 - in the case of an issue with preferential subscription rights, the ceiling stands at a nominal value of EUR800 million (200 million shares),
 - in the case of an issue without preferential subscription rights, the ceiling stands at a nominal value of EUR230 million (57.5 million shares) through public offering with the possibility of:
 - (i) proceeding to issue by private placements of shares subject to a ceiling with a nominal value of EUR115 million (28.75 million shares),
 - (ii) paying for securities contributed to the Company in connection with a public exchange offer initiated by the Company,
 - (iii) within the limit of 9.93% of capital, making payment for contributions in kind of shares or share equivalents of unlisted companies.

These authorizations include, in case of oversubscription, the power to increase the nominal amount of the issues within the limit set on the ceiling on the number of shares or share equivalents to be issued.

- 3) to grant existing shares or shares to be issued to employees and corporate officers of the Company and its affiliates under the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code, within a limit of 2% of the Company's issued share capital as of April 25, 2019;
- 4) to issue new shares to members of the Company Savings Plan, within a limit of 2% of the issued capital on the date of the implementation of the authorization;
- 5) to issue new shares under programs to promote share ownership among employees in non-French companies of the Group, within a limit of 1% of the Company's share capital as of April 25, 2019 to be applied to the ceiling for the authorization given in 4) above.

At its meeting of December 11, 2019, the board of directors authorized the issue of new shares to employees, within a limit of 0.64% of the capital. These capital increases reserved for employees, whether part of the Company Savings Plan or not, will take place in June 2020 and the subscription prices will be set by that date, before the subscription period.

The Annual Shareholders' Meeting to be held on April 23, 2020 (see pages 420 and 421) will be requested to renew the authorizations for share capital increase reserved for employees.

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This table is part of the board of directors' governance report.

	Maximum par value of authorized capital increases (in euros)	Number of shares (million)	Authorization date/ authorization expires	Amount used at Dec. 31, 2019 (in million of shares)
I – Issues with preferential subscription rights for shares or warrants				
or other securities, giving access immediately or in the future to the capital	800 million ⁽¹⁾	200	Apr. 25, 2019 Jun. 24, 2021	3.7 ⁽³⁾
II – Issues without preferential subscription rights				
a) for the issue, in cash or in compensation of listed securities, of shares, warrants and other securities giving access immediately or in the future to the capital	230 million ⁽¹⁾	57.5	Apr. 25, 2019 Jun. 24, 2021	3.7 ⁽³⁾
b) to make private placements of shares	115 million ⁽¹⁾⁽²⁾	28.75	Apr. 25, 2019 Jun. 24, 2021	
c) to issue new shares as consideration for unlisted securities	9.93% of the capital ⁽¹⁾⁽²⁾	57.5	Apr. 25, 2019 Jun. 24, 2021	
III – Employee share issues				
Company Savings Plan	2% of the capital ⁽⁶⁾	11.58	Apr. 25, 2019 Jun. 24, 2021	3.7 ⁽³⁾
Share issues to promote share ownership among employees in foreign companies of the Group	1% of the capital ⁽⁴⁾⁽⁶⁾	5.79	Apr. 25, 2019 Oct. 24, 2020	3.7 ⁽³⁾
Free shares or performance shares	2% of the capital ⁽⁶⁾	11.58	Apr. 25, 2019 Jun. 24, 2022	0.1 ⁽⁵⁾

(1) The overall ceiling for issues is capped at EUR800 million in aggregate.

(2) Within the limit of the common ceiling for all issues of EUR230 million as mentioned under II^a, a) + b) + c) being limited to EUR230 million.

(3) At its meeting of December 11, 2019, the board of directors authorized capital increases reserved for employees, within a limit of a global amount of 3.7 million shares, i.e. 0.64% of the capital. These capital increases reserved for employees, whether part of the Company Savings Plan or not, under a non-leveraged stock ownership plan, will take place in June 2020. The subscription prices will be set before that date. The capital increase reserved for employees participating in the Company Savings Plan will be deducted from the amount of the authorizations referred to in I and II a).

(4) Issuances of shares reserved for employees in non-French subsidiaries will be deducted from the ceiling for capital increases reserved for employees participating in a Company Savings Plan.

(5) At the board of directors' meeting of July 23, 2019, 87,110 shares were granted under the 2019 long-term incentive plan. At the board of directors' meeting of October 23, 2019, 17,450 shares were granted under the 2019 long-term incentive plan. In addition, at the board of directors' meeting of February 19, 2020, the principle was agreed that a maximum of 2.1 million shares would be granted under the 2020 long-term incentive plan.

(6) On the date of the 2019 Annual Shareholders' Meeting, the share capital was EUR2,317 million.