

Exel Industries

A French public limited company (*Société Anonyme*) with a share capital of 16,969,750 euros
Registered office: 54, rue Marcel Paul, Epernay (Marne), France
Reims Companies Register (RCS): No. B 095 550 356

NOTICE OF MEETING

Shareholders of Exel Industries are duly notified that on Tuesday, January 24, 2012, at SA Kremlin Rexson's registered office at 150, avenue de Stalingrad, Stains (93240) they have been called to attend:

- an Extraordinary General Meeting to be held at 11 a.m.,
- an Ordinary General Meeting to be held at 11:30 a.m.,

to consider the following agenda items:

Within the remit of the Extraordinary General Meeting:

- ❶ Authorities to be granted to the Board of Directors (*that may be further delegated*) for a period of up to 26 months to increase the share capital through the issuance of shares, maintaining the preferential subscription rights of existing shareholders;
- ❷ Authorities to be granted to the Board of Directors (*that may be further delegated*) for a period up to 26 months to increase the share capital through the issuance of security giving rights to the share capital, maintaining the preferential subscription rights of existing shareholders;
- ❸ The principle of a rights issue reserved for employees in accordance with the provisions of Article L225-129-6 of the French Commercial Code (*Code de Commerce*);
- ❹ Updating procedures for calling Board of Directors' meetings resulting in a modification of Article 17 of the Articles of Association (*Statuts*);
- ❺ Powers for formalities;
- ❻ Miscellaneous items of business.

The following resolutions are submitted to a vote of the Meeting:

Resolution one --- The Shareholders, after having reviewed the Board of Directors' report, decide to grant authority to the Board of Directors (*that may be further delegated to the Chief Executive Officer or "Directeur Général", or subject to agreement by the latter, to one or more Deputy Chief Executive Officers or "Directeurs Généraux Délégués"*) for a period not to exceed 26 months from the date of this meeting to increase the share capital by a maximum nominal amount of €80 million, through one or more tranches, in proportions and at such times it considers appropriate, **maintaining the preferential subscription rights and/or entailing, if appropriate, a priority subscription period for existing shareholders.**

If the Board of Directors makes use of this authorization, it may at its choice carry out this capital increase, maintaining the share price or proceeding with a stock split reducing the nominal share value, or by:

- ◆ An issue of shares for cash;
- ◆ The capitalization of reserves, profits or additional paid-in capital;
- ◆ The exchange of shares;
- ◆ The grant of bonus shares;
- ◆ The exercise of share warrants.

In the case of a capital increase through the issue of shares for cash, the Board of Directors is specifically authorized to:

- Establish a right to subscribe for excess shares without trading rights (*droit de souscription à titre réductible*);
- Reduce the number of securities issued to the number of applications received, provided that such applications cover at least three quarters of the intended amount;
- Offer to the public all or part of the shares issued but not subscribed.

All powers are granted to the Board of Directors to carry out the capital increase(s) authorized under this resolution, determine the procedures and the terms and conditions thereof and notably, set the issue price for the shares, set the record date, with or without retroactive effect, set the opening and closing period for subscriptions, formally record completion of the capital increase and amend the Articles of Association in consequence, and in general, the Board of Directors shall take all measures and perform all formalities required to complete this corporate action.

Resolution two --- The Shareholders, after having reviewed the Board of Directors' report, decide to grant an authority to the Board of Directors (*that may be further delegated to the Chief Executive Officer or, subject to agreement by the latter, to one or more Deputy Chief Executive Officers*) for a period not exceed 26 months from the date of this Extraordinary General Meeting, to:

- ♦ Issue shares or securities, **maintaining the preferential subscription rights and/or entailing, if appropriate, a priority subscription period for existing shareholders**, regardless of the category concerned, that comply with legal provisions and including share warrants (BSA), bonds with equity share warrants attached (OBSA), bonds with bond warrants (BSO), convertible bonds, etc., whereby such issues may increase the share capital by a maximum nominal amount of €80 million;
- ♦ Determine the conditions for the issue and subscription procedures;
- ♦ Formally record completion of the corresponding amount of the capital increase;
- ♦ Perform all formalities resulting from capital increases that may be carried out or the conversion of said securities into shares and amend the Articles of Association in consequence;
- ♦ And in general, take all useful measures and perform all formalities necessary for the issue, the conversion of shares and the corresponding securities services.

Resolution three --- The Shareholders, after having reviewed the Board of Directors' report and the Statutory Auditors' special report, and duly noting the provisions of Article L225-129 of the French Commercial Code (*Code de Commerce*) as amended by Law of February 19, 2001 on employee stock ownership, decide to grant an authority to the Board of Directors (*that may be further delegated to the Chief Executive Officer or, subject to agreement by the latter, to one or more Deputy Chief Executive Officers*) to proceed with one or more capital increases, record completion thereof and make the corresponding amendments amend to the Articles of Association.

This capital increase shall be reserved to employees of the company and carried out in accordance with the conditions provided for under articles L3332-18 to L3332-24 of the French Labor Code (*Code du Travail*).

Resolution four --- The Shareholders, after having reviewed the Board of Directors' report, decide to update procedures for calling Board of Directors' meetings provided for in the Articles of Association (*Statuts*). In consequence, Article 17 of the Articles of Association has been completed and amended as follows:

ARTICLE 17 - BOARD MEETINGS

- 17.1. Directors are called to Board meetings by all available means (*including electronic messaging, remote transmission, videoconferencing, etc.*) and including orally.

All Directors may attend, participate and vote in Board meetings through videoconferencing and telecommunications means under conditions provided for by regulations in force at that time.

A record of attendance is maintained that is signed by Directors participating in the Board meeting.

The other provisions of this article remain unchanged.

Resolution five --- The Shareholders grant all powers to the holder of an original, a short-form certificate or a copy of these minutes of the Meeting to carry out all formalities for publishing and filing the Articles of Association as amended.

Within the remit of the Ordinary General Meeting:

- ① Presentation and review of the consolidated financial statements and separate annual financial statements for the period ended August 31, 2011;
- ② Reading of the Board of Directors' and Statutory Auditors' reports;
- ③ Approval of the consolidated financial statements and separate annual financial statements;
- ④ Appropriation of earnings;
- ⑤ Approval of regulated agreements under articles L225-38 *et seq.* of the French Commercial Code;
- ⑥ Grant of discharge to Directors;
- ⑦ Setting attendance fees for Directors;
- ⑧ Renewal in advance of the authorization granted to the Company to buy and sell its shares on the market;
- ⑨ Appointment of new Directors;
- ⑩ Miscellaneous items of business.

The following resolutions are submitted to a vote of the Meeting:

Resolution one --- The Shareholders, after having reviewed the different reports and documents and notably the "Registration Document – Annual report", the Chairman of the Board of Directors' report on the organization of internal controls and risk management procedures as well as the Statutory Auditors' reports, approve these reports and the consolidated financial statements for the fiscal year ended August 31 as presented as well as the operations reflected in these financial statements and summarized in these reports, and showing a net profit of €13,100,000.

Resolution two --- The Shareholders approve the separate annual financial statements for the fiscal year ended August 31, 2011 as presented as well as all operations reflected in these financial statements and summarized in these reports, and showing a net profit of €7,673,482.

Resolution three --- The Shareholders decide that the net profit for the fiscal year of €7,673,382 shall be appropriated as follows:

- Distribution of a total dividend of €3,326,071 or €0.49 per share (1) it being noted for the record that the Legal Reserve is already fully funded;
- Carry forward to retained earnings the balance of this profit of €4,347,411, Thereby increasing the amount of retained earnings to €97,170,320.

- (1) The dividend will be available for payment as of January 27, 2012 through offices of CM-CIC Securities.

Furthermore, the Board requests that the General Meeting approves the appropriation to the "Retained Earnings" account corresponding dividends not paid on treasury shares held by Exel Industries.

The Shareholders furthermore duly note that dividends paid for the last three periods were as follows:

FY years	Dividend per share
2007-2008	€0.75
2008-2009	€0.37
2009-2010	€0.64

Resolution four --- The Shareholders, having reviewed the Statutory Auditors' special report on regulated agreements governed by article L -L225-38 *et seq.* of the French Commercial Code, hereby approve in succession each of the transactions presented in this report.

Resolution five --- The Shareholders on that basis fully discharge all Directors from any liabilities with respect to the performance of their duties over the year ended.

Resolution six --- The Shareholders set a total amount for attendance fees to be granted to Directors of €80,000 for the fiscal year ending August 31, 2012. The Board of Directors shall meet in consequence to fix the allocation of this amount among its members.

Resolution seven --- The Shareholders, after having reviewed the Board of Directors' report, authorize the Board, in accordance with the provisions of articles L 225-209 *et seq.* of the French Commercial Code, to buy its own shares for a period of eighteen months from the date of this meeting.

These purchases of shares shall be subject to the limits provided for by statute in force at the time of the transactions and in accordance with the purposes and procedures set forth below.

The maximum number of shares able to be purchased under this authorization may not exceed 10% of the amount of the company's current share capital.

These shares may be acquired on one or more occasions and through any means for the following purposes:

- Market making or ensuring the liquidity of the market for the company's share through an Independent Investment Service Provider within the framework of a Liquidity Agreement in compliance with conduct of business rules recognized by the AMF;
- Purchasing shares to be retained for future use for payment or exchange in connection with possible acquisitions;
- The cancellation of all or part of shares thus acquired;
- Covering amounts required for employee stock option plans (or other employee grants) or debt securities convertible into shares.

These shares may be acquired, sold or transferred by any means, on or off market, including involving the use of any derivative financial instruments. The entire share repurchase program may be carried out through block trades.

The maximum purchase price per share may not exceed €80 subject to adjustments in connection with corporate actions that may be implemented. In a scenario involving the purchase of 5% of the shares, the maximum amount paid would be €27 million.

Shares thus purchased may be held, sold or transferred.

This authorization replaces and supersedes the previous authorization granted by the Ordinary General Meeting of January 25, 2011.

Resolution eight --- The Shareholders appoint, pursuant to Board of Directors' proposal, to serve as Directors of the company:

- Mr. Marc Ballu, of French nationality, residing at Les Mouilles - 69620 Bagnols;
- Mrs. Marie-Claude Bernal, of French nationality, residing at 23 Tanglewood Road, Wellesley, Massachusetts 02481(USA),

for the legal term of office, i.e. until the General Meeting called to approve the financial statements for the fiscal year ending 2017.

Resolution nine --- The Shareholders grants all powers to the holder of an original, a short-form certificate or a copy of these minutes of the Meeting to carry out all formalities that may be required.

General Meetings are comprised of all Shareholders regardless of the number of shares they hold.

To participate in General Meetings, the shareholder must, no later than midnight (Paris time) on the third business day preceding the date of the meetings:

- If a holder of registered shares, be listed in the registered shareholders account maintained by the company;
- Or, if a holder of bearer shares, provide a participation certificate (*attestation de participation*) issued by the bank or broker managing these shares confirming their status as shareholders on the meeting date.

Shareholders who do not personally attend the Meetings may choose one of the following three options:

- Grant a proxy to another shareholder or his or her spouse;
- Send a proxy form to the company without specifying the proxy's name;
- Vote by mail.

Mail-in ballot and proxy vote forms are sent to registered shareholders with their meeting notice.

All shareholders may request from the bank or broker managing their securities account a form to vote by mail or be represented at Meetings.

Votes by mail may be taken into account only if the forms are received duly completed at least three (*calendar*) days before the Meeting date at the company's registered office in Epernay.

Requests to add draft resolutions to the meeting agenda and submit written questions to be raised must be sent to the registered office by registered letter with acknowledgment of receipt (*or, as necessary, to the following e-mail address: direction.juridique@exel-industries.com*), up to 25 (*calendar*) days before the Meeting date. These requests must be accompanied a document (*Attestation d'Inscription*) certifying that shares are duly registered in a securities account.

This preliminary shareholders meeting notice (*Avis de Réunion*) constitutes the notice of call (*Avis de Convocation*) on condition that no modifications are made to the meeting agenda pursuant to demands that may be subsequently submitted by Shareholders.

This document is available for consultation at the issuers' website (www.exel-industries.com) and upon request from the Group Legal Department from the following e-mail address (direction.juridique@exel-industries.com) or by mail sent to the company's registered office in Epernay.

The Board of Directors

Disclaimer: This English-language version of the meeting agenda and preliminary meeting notice constituting the notice of call is a free translation of the official "Avis de Réunion valant Avis de Convocation". While all possible care has been taken to ensure that this translation is an accurate representation of the original, the original language version of the document in French takes precedence over this translation that is produced solely for the convenience of English speaking readers