

**LAW n° 90-568 dated July 2nd 1990, modified,
relative to the organization of La Poste
and France Telecom public service**

Art.1-2

I. From 1 March 2010 the public-law corporation La Poste shall be converted into a public limited company called La Poste. The company's capital shall be owned by the State, as the majority shareholder, and by other public-law corporations, save for that part of the capital that may be owned by the staff as shareholders in the manner provided for by this law. This conversion shall not cast doubt on the nature of La Poste as a national public service.

On the date on which La Poste's initial memorandum and articles of association are registered, its capital shall be wholly owned by the State.

A new legal person shall not be created for this conversion. All assets, rights, obligations, contacts, agreements and licences of whatever kind held by the public-law corporation known as La Poste, in France and outside France, shall become *ipso jure* and with no formalities those of the public limited company La Poste from the date of the conversion. This shall not affect those assets, rights, obligations, contacts, agreements and licences and shall not entail, in particular, any amendment of current contracts and agreements entered into by La Poste or companies affiliated to it within the meaning of Articles L.233-1 to L.233-4 of the Commercial Code, nor their termination, nor, where appropriate, the early extinguishment of the debts covered by them. The conversion into a public limited company shall not affect administrative decisions taken by La Poste. All operations arising out of the conversion of La Poste into a company shall be free of charge and not give rise to payment of any tax, remuneration, compensation or fee to the State, its employees or any other public corporation.

II. La Poste shall be subject to the statutory provisions applying to public limited companies in so far as they are not in breach of this law.

The first and fourth paragraphs of Article L.225-24 of the Commercial Code shall apply in the event of vacancies for posts of directors appointed by the general meeting.

The first paragraph of Article 228-39 of the same code shall not apply to the La Poste company.

Article L.225-40 of the same code shall not apply to agreements concluded between the State and La Poste pursuant to sections 6 and 9 of this law.

CHAPTER 1 : Missions of La Poste and France Telecom

Art. 2

La Poste and its subsidiaries shall constitute a state-owned group which shall fulfil public-service and public-interest missions and engage in other activities subject to the conditions laid down by this law and by the statutes and regulations governing each of its spheres of activity.

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The articles related to France Télécom only, have been deleted on this text.

Repealed articles are not mentioned.

The postal networks shall have extensive social and geographical coverage allowing universal access to essential local services.

I. The public-service and public-interest missions shall be:

1. The universal postal service, subject to the conditions laid down by the Postal Services and Electronic Communications Code, particularly Articles L.1 and L.2;
2. The contribution made, through its network of post-office branches, to national and regional planning and development in the manner provided for in section 6 of this law;
3. Press transport and distribution services under the special arrangements provided for in the Postal Services and Electronic Communications Code, particularly Article L.4;
4. Banking access as provided for in the Monetary and Financial Code, particularly Articles L.221-2 and L.518-25-1.

II. Within ordinary law La Poste shall carry on any other activity involving clearance, sorting, transport and delivery of postal items, mail of all kinds, objects and goods.

Through its subsidiary La Banque Postale, La Poste shall carry on banking, financial and insurance activities as provided for in the Monetary and Financial Code in particular.

La Poste is authorised to carry on in France and abroad, both in its own name and through subsidiaries or holdings, any activity relating either directly or indirectly to its statutory missions and activities as well as any activity provided for by its memorandum and articles of association.

Art. 4

La Poste is to promote and develop innovation and research in its activity sector. It take part in national higher-education efforts in the fields of communication and electronics.

Art. 5

La Poste contribute to the exercise of State missions with respect to defense and public safety.

Art. 6

I. - In carrying on its activities listed in section 2 of this law, La Poste shall contribute through its network of post-office counters to national and regional planning and development in addition to its universal service obligations under Articles L.1 and L.2 of the Post and Electronic Communications Code and with due regard for the principles laid down in section 1 of Outline Law No. 95-115 of 4 February 1995 on national and regional planning and development.

La Poste shall adapt its network of post-office counters to fulfill this mission, in particular by entering into local public or private partnerships whilst seeking optimum social and economic efficiency. This network shall comprise at least 17,000 post-office branches across French territory taking into account the specific features of the latter, especially in overseas departments and collectivities. La Poste shall offer users broadband Internet access on a trial basis until 31 December 2011 from personal terminals in some hundred representative post offices. Three months prior to this date the government shall deliver a report to Parliament in the light of which the scheme may be extended or adjusted by law. La Poste's change of status shall not affect local public and private partnerships for the purpose of adapting its network of

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post-office branches. The conditions under which agents holding or not holding the territorial public perform some or all of their functions under these partnerships are defined by an agreement between La Poste and the local authority or public institution whose municipal cooperation is the agent. This agreement specifies the particular type of activity that the agent is to perform.

A *Conseil d'Etat* decree shall specify the procedures for determining, at *département* level and after consulting the *département* postal coverage committee referred to in section 38 of this law, the additional access requirements for the La Poste network arising out of this mission. These requirements shall take account of the following:

- Distance and access time of local service provided by the network of post-office counters;
- Social, economic and demographic characteristics of the areas concerned and, in particular, if they are classified as rural rehabilitation areas or sensitive urban areas as referred to in section 42 of the aforesaid Law No. 95-115 of 4 February 1995;
- The geographical specificities of the *département* itself and the surrounding *départements*, especially in mountain areas.

Other than in exceptional circumstances, these requirements do not permit more than 10% of a *département's* population to be further than five kilometers, or more than twenty minutes' car drive under normal driving conditions for the area concerned, from the closest La Poste counter.

II. - To finance the cost of this additional geographical network, there shall be established in a special account of La Poste, which shall be responsible for its financial and accounting management, a national postal fund for geographical equalization subject to the conditions set out in a multi-annual postal coverage contract signed between the State, La Poste and the most representative national mayors' association, after consulting the Commission for the Public Service of Postal and Electronic Communications.

A report on management of the equalisation fund, indicating the total allocation for each *département* and the information for apportioning it, shall be forwarded to Parliament and the chairmen of the *département* postal coverage committees annually.

The fund's resources will come mainly from a reduction in local taxation to which La Poste is entitled under the first paragraph of subparagraph (3) of section 21 (I).

The multi-annual postal coverage contract shall set out guidelines for managing the national postal fund for geographical equalisation. It shall also specify the conditions, with regard, for example, to opening hours, basic provision of postal and financial services, quality, information, improvement and service commitments to users, that must be met by post-office branches on the basis of their characteristics and with due regard for the principles of sustainable development. The conditions relating to post-office branch opening hours shall provide for adjustment of these hours to the lifestyle of the community served. The contract shall make provision, especially in communes with over fifty thousand inhabitants, on a trial basis and after consultation with staff representatives, for opening of one post office up to twenty-one hundred hours one working day a week, after consulting the *département* postal

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coverage committee. It shall also specify the circumstances in which a post office's opening hours may be reduced in view of its recorded activity over a significant reference period.

Post-office counters located in rural rehabilitation areas, in sensitive urban areas or within a commune that has entered into a coverage agreement with La Poste with one or more other communes, whether or not as part of a corporation, shall be entitled to a significant increase in the amount that they receive for postal equalization.

A decree adopted after consulting the Commission for the Public Service of Postal and Electronic Communications shall specify the implementing provisions for this subsection II.

III La Poste takes part in advisory bodies responsible for national and regional development.

In this framework, the operator can propose products and services that other administrations or public services are unable to supply, after agreement signed with said parties.

IV. The Postal Services and Electronic Communications Regulatory Authority shall be responsible for annually evaluating the net cost of the additional network required for the national and regional planning mission assigned to La Poste under paragraph I. La Poste shall forward to the authority, at its request, any accounting records and information needed for this evaluation. A *Conseil d'Etat* decree, adopted after consulting the Commission for the Public Service of Postal and Electronic Communications and published no later than 31 March 2010, shall specify the evaluation method to be used.

The Postal Services and Electronic Communications Regulatory Authority shall, after consulting the Commission for the Public Service of Postal and Electronic Communications, deliver an annual report to the government and Parliament on the net cost of this network.

The fund referred to in the first paragraph of paragraph II shall be provisioned by La Poste in proportion to the reduction in local taxation to which La Poste is entitled under Article 1635 *sexies*, paragraph II, subparagraph 3 of the General Tax Code. This reduction shall be reviewed annually on the basis of the evaluation made by the Postal Services and Electronic Communications Regulatory Authority.

Art. 8

A *Conseil d'Etat* decree shall determine safeguards for fair remuneration of the public services provided by the public operator, including for press transport and distribution services.

Art. 9

The State shall conclude with La Poste the service contract referred to in section 140 of Law No. 2001-420 of 15 May 2001 on new economic regulations. This contract shall specify the targets for the four public-service and public-interest missions referred to in section 2, paragraph I of this law. It shall set service-quality targets for the various elements of the universal postal service, including user waiting times in the post-office network and speed and efficiency for handling user complaints. It shall contain La Poste's commitments concerning control and prevention of overindebtedness, especially with regard to revolving consumer credit and promotion of micro-credit. Six months before expiry of this service contract, the government shall forward to Parliament a provisional assessment of its implementation

CHAPTER II : *Governing Bodies*

Art. 10

Law No. 83-675 of 26 July 1983 on democratisation of the public sector shall apply to La Poste.

However, section 5 of the same law notwithstanding, La Poste's board of directors shall consist of twenty-one members. There shall be seven representatives of each of the categories laid down in (1), (2) and (3) of the same section. A representative of the communes and associations of communes shall be included among the persons selected for their qualifications. A representative of La Poste users shall also be included among the persons selected for their qualifications.

If a public-law corporation referred to in section 1-2, paragraph I of this law, other than the State, owns a share of La Poste's capital, La Poste's board of directors shall, the second, third and fourth sentences of the second paragraph of this section and section 5 of the above-mentioned Law No. 83-675 of 26 July 1983 notwithstanding, have the following composition:

- One third: representatives of employees, elected in the manner provided for in Title II, Chapter II of the above-mentioned Law No. 83-675 of 26 July 1983;
- Two thirds: one representative of the communes and associations of communes and one users representative, both appointed by decree, and representatives appointed by the general meeting of shareholders so as to give the latter representation reflecting their ownership of the capital and allowing them, taken together, to hold the majority of voting rights in the board of directors

Art. 11

The chairman of La Poste's board of directors shall be appointed by decree. He shall be responsible for overall management of La Poste.

Art. 12

Works representatives on the boards of directors of La Poste are elected by the employees of the public operators and its respective subsidiaries, under the conditions set forth in Chapter II

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of Title II of above-mentioned Law n° 83-675 dated July 26th 1983, subject to adaptations specified through decree in Conseil d'État, which are made necessary by the status of the personnel of public operators defined in Articles 29 and 31 of the present law.

Articles L. 225-27 to L. 225-34 of the Commercial Code are applicable to all France Télécom personnel, subject to adaptations, which shall be specified by a decree issued following consultation of the French Supreme Administrative Court, which are made necessary by the status of the personnel defined by Article 29 of this law.

Art. 13

A decree in Conseil d'État sets the application terms and conditions of the present chapter.

CHAPTER III : *Management Framework*

Art. 16

La Poste alone is empowered to issue postage stamps, as well as all other postal paper shares.

CHAPTER IV : *Taxation*

Art. 18

Subject to the provisions of Articles 19, 20 and 21 of the present law, La Poste and France Télécom are subject to taxes and duties under the conditions stipulated in Article 1654 of the General Tax Code.

Art. 20

Services and deliveries of goods related to these services, except for the transportation of persons, which falls within the postal public service carried out by La Poste, are exempt from value added tax.

Art. 21

I – La Poste and France Télécom are subject, as of January 1st 1994 and at the place of their main office, to local direct taxes received on behalf of local governments and various establishments and organizations. These taxes are determined and received under the following conditions:

1) With respect to property taxes on constructed and non-constructed property and the duties additional to these taxes, the tax bases are determined in accordance with the provisions of Articles 1380 to 1383, 1388, 1393, 1396, 1402 to 1406, 1415 and 1520 to 1528 of the General Tax Code.

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2) With respect to the business tax

a) The tax base is determined in accordance with Articles 1447, 1467 [1], 1467 A, 1469 [1, 2 and 3], 1472 A *bis*, 1478, paragraph I, and 1647 B *sexies* of the General Tax Code.

As of 1995, the tax base is reduced by half of the amount which exceeds the base of the previous year, multiplied by the consumer price index noted by the French national institute of statistics and economic surveys for the reference year defined in Article 1467 A of the General Tax Code.

b) The tax base is declared by May 1st of the year preceding the taxation year at the place of the main office.

3) The tax bases of La Poste are subject to a tax abatement equal to 85 % of their amount, due to service constraints of the entire domestic territory and due to participation in national and regional development which are required of this operator. The tax abatement does not result in compensation by the State. The rate of the abatement shall be reviewed annually pursuant to Article 1635 *sexies*, paragraph II, subparagraph 3 of the General Tax Code.

Before December 31st 2010, the Government files a report with Parliament, detailing the service constraints of the entire domestic territory and participation in national and regional development which are required of La Poste, and the charges resulting from same for this operator.

4) The rate applicable to the tax base for property and business taxes is, for each of these taxes, the national weighted average rate which results from rates applied the previous year by all local governments of groups and establishments and various organizations empowered to receive the proceeds of local direct taxes and their additional taxes.

5) Rules relative to verification, collection and litigation of local direct taxes, as well as the provisions of Article 1641 of the General Tax Code, are applicable. Nonetheless, for taxes paid by La Poste and France Télécom, the rate mentioned in Paragraph I of this article is set at 1.4 %, and the rates mentioned in Paragraph II of the same article are set at 0.5 %.

6) In 1994, the proceeds of contributions pertaining to taxes referred to in the first paragraph above, reduced by the fraction of contributions pertaining to taxes mentioned in Articles 1520 and 1528 of the General Tax Code, is received by the State which uses it in order to contribute to the financing of revenue losses resulting from application of Article 6 of the Finance Act for 1987 (n° 86-1317 dated December 30th 1986).

For subsequent years, the proceeds thus used are modified according to the consumer price index for households, as it so results from economic hypotheses associated with the draft Finance Act. When the proceeds of the taxes referred to in the first paragraph are greater than the amount thus obtained, the difference is paid into the National Fund for equalizing business taxes, referred to in Article 1648 A *bis* of the General Tax Code.

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The fraction of the product of the taxes referred to in the first paragraph pertaining to the taxes mentioned in Articles 1520 and 1528 of the General Tax Code is divided up, according to criteria set by the local finance committee, between the communes which have instituted these taxes, and the region in which the La Poste and France Télécom establishments are located.

7) The tax bases pertaining to La Poste and France Télécom are not taken into account in order to determine the tax potential.

A decree in Conseil d'État sets, as need be, the application conditions of the present article, after consultation with the local finance committee.

CHAPTER V : *Constitutive elements of the national assets*

Art. 22

The State's rights and obligations attached to the services coming under the post office administrative division and the telecommunications administrative division are transferred, respectively, in full accordance with the law, to La Poste and to France Télécom.

All real estate in the public or private domain of the State, attached to departments coming under the post office administrative division and the telecommunications administrative division, as well as the moveable property of these departments, are transferred, in full accordance with the law and in unrestricted ownership, to La Poste and to France Télécom.

The minister of the post and telecommunications and the minister of the economy and finance determine the list of property necessary for the operation of the supervisory ministry which are not transferred to the public operators as well as those used jointly by the central administrative departments or those exterior to the ministry, which they divide up between the public operators.

All transfers stipulated above are carried out without consideration, and do not result in any payment of salaries or fees on behalf of employees of the State, or to any indemnity or payment of duties or taxes.

Art. 23

The real estate of the La Poste forming part of its public property shall be transferred from the category of public property to that of private property. It may be freely managed and transferred under general law.

If the terms of assignment of a property are such as to jeopardize proper implementation by La Poste and its subsidiaries of their legislative and regulatory obligations' its legislative and regulatory obligations or the commitments entered into in the contract referred to in section 9,

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concerning, in particular, public service continuity and spatial planning policy, the government shall object to the assignment or make it conditional upon not prejudicing the proper performance of the aforesaid obligations. To this end, La Poste and its subsidiaries shall forward all relevant information to the government and, in particular, the draft agreement with the assignee.

In the event of failure to comply with the conditions laid down in the preceding subparagraph, by La Poste or one of its subsidiaries, the government may ask for the transfer to be declared void if the transfer price of the real estate concerned exceeds a ceiling set by order of the Minister for Postal Services.

The terms and conditions of the objection referred to in the second paragraph shall be determined by *Conseil d'Etat* decree.

CHAPTER VI : RELATIONS WITH USERS, SUPPLIERS AND THIRD PARTIES

Art. 27

The procedures for entering into and controlling La Poste contracts shall be laid down by its board of directors.

CHAPTER VII : PERSONNEL

Art. 29

The personnel of La Poste and of France Télécom are governed by special statutes, in application of Law n° 83-634 dated July 13th 1983, relevant to rights and obligations of civil servants, and of Law n° 84-16 dated January 11th 1984, relevant to statutory provisions as regards the public function of the State, which include specific provisions under the conditions stipulated in the paragraphs below.

The La Poste and France Télécom civil servant counterpart corps are governed by joint special statutes. These statutes define the conditions under which the employees of either of these corps may be integrated, through simple transfer, in the counterpart corps of the other public operator.

The provisions of Article 10 of above-mentioned Law n° 84-16 dated January 11th 1984 apply to the entire civil servant corps of La Poste and of France Télécom.

The personnel of La Poste and of France Télécom do not fall within the categories stipulated in Article 29 of the above-mentioned Law n° 84-16 dated January 11th 1984.

The civil servants of La Poste and of France Télécom may, exceptionally, be placed, upon their request, outside the position of activity in their corps, for the purpose of ensuring functions specific to the public operators, stipulated in the specification, according to terms and conditions set by decree in Conseil d'État.

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Art. 29-1 to 29-3 : France Telecom only

Art 29.4

As of 1 March 2010, La Poste's body of civil servants shall be attached to the La Poste public limited company and shall come under the authority of its chairman, who shall have managerial and appointment authority with regard to them. The chairman may delegate this managerial and appointment authority and authorise subdelegation subject to formal, procedural and temporal requirements laid down by *Conseil d'Etat* decree.

The chairman of La Poste may institute bonuses and allowances specific to civil servants of La Poste, which may be adjusted to take account of changes in other elements of civil servant compensation as established by section 20 of Law No. 83-634 of 13 July 1983 on the rights and obligations of civil servants.

La Poste staff with civil-servant status shall remain subject to sections 29 and 30 of this law.

Art. 29-5

Until 31 December 2013, La Poste civil servants may, at their request, be assigned to corps or units of the State civil service, the regional civil service or the hospital civil service. Said assignment shall be contingent on the performance of a trial period followed by a period of specific secondment. La Poste civil servants shall be thus assigned in accordance with their rank, notwithstanding the rules on recruitment at the host corps or units, with the exception of those rules that make performing the corresponding duties contingent on holding a specific title or diploma.

If the index obtained by a civil servant in the host corps is less than that held in the original corps, La Poste shall pay a lump-sum compensatory indemnity to the civil servant. In this case, the La Poste civil servant may, when he is transferred, ask to contribute to his pension fund on the basis of his salary that was used as a basis for the calculation of pension contribution withholdings in his original corps. This option is irrevocable. It shall lead to the pension benefit being calculated on the basis of said same salary when it is higher than that mentioned in paragraph I of Article L. 15 of the Civil and Military Old Age Pensions Code. The host administrations or structures shall also benefit from financial or assistance measures that are the responsibility of La Poste.

The conditions of application of this article, and in particular the determination, by a commission created for this purpose, of the host corps, units, grades and ranks, shall be laid down in decrees issued following consultation of the French Supreme Administrative Court.

Art 29-6

La Poste employees affiliated to the Institution for Supplementary Pension Provision for Non-permanent State and Local-authority Employees on the date on which the La Poste company affiliated to the institutions for supplementary pension provision referred to in Article L.922-1 of the Social Security Code shall remain affiliated to it until termination of the contracts binding them to their employer or until their transfer to a company affiliated to an institution referred to in the same Article L.922-1.

The rights acquired by these affiliates, former affiliates and their entitled dependants shall be maintained at the Institution for Supplementary Pension Provision for Non-permanent State and Local-authority Employees.

An agreement between the federations of institutions for supplementary pension provision referred to in Article L.922-4 of the Social Security Code and the Institution for Supplementary Pension Provision for Non-permanent State and Local-authority Employees shall regulate financial transfers between these bodies in the light of their respective revenue and charges. If such an agreement is not signed by 30 June 2010, a *Conseil d'Etat* decree shall regulate these financial transfers.

The La Poste company shall affiliate to institutions for supplementary pension provision referred to in Article L. 922-1 of the same code in the six months following signature of the agreement specified in the third paragraph of this section and no later than 31 December 2010.

Art. 30

La Poste may establish a mandatory supplementary social-protection scheme for the staff referred to in sections 29 and 44 of this law under Article L.911-1 of the Social Security Code and subject to conditions laid down by decree. La Poste contributions to fund the benefits provided by this scheme shall be excluded from the basis of assessment for the employer's social-insurance contributions for the staff referred to in sections 29 and 44 of this law as provided for in Article L.242-1 of the Social Security Code. When calculating the net taxable income of the staff referred to in sections 29 and 44 of this law, the contributions paid pursuant to this paragraph shall be treated in the same way as the premiums and contributions referred to in Article 83, paragraph 1 *quater* of the General Tax Code.

The active and retired personnel of the ministry of the post and telecommunications and those of the public operators coming under the general status category of State civil servants, as well as their beneficiaries, are entitled to sickness, maternity and disability insurance benefits, through means of the general contributory insurance company of the PTT, under the conditions stipulated in Book III and in Chapter II of Title 1 of Book VII of the Social Security Code. Nonetheless, the part of the contribution for which the State is responsible under Article L 712-9 is assumed by the public operators for their civil servants.

The pension calculation and servicing of allocated pensions, in application of the civilian pension and military retirement code, to the civil servants of La Poste and of France Télécom, are carried out by the State. In return, the public operators are compelled to pay the State Revenue Office:

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a) the amount withheld on the employee's wage, whose rate is set in Article L.61 of the civilian pension and military retirement code;

b) *with respect to La Poste*, an additional contribution enabling the complete absorption of expenses for pensions of their retired employees, both those transferred and those to be transferred;

c) with respect to the France Télécom state company, an employer contribution indicting full discharge, due as of January 1st 1997, in proportion of sums paid for wages subject to pension withholdings. The discharge contribution rate is calculated in such a way as to equalize the levels of obligatory welfare and tax charges based on salaries between France Télécom and the other companies in the telecommunications sector coming under the category of common law of social security benefits, for those risks which are common to common law employees and to State civil servants. This rate may be subject to a revision in case of modification of said charges. The terms and conditions for determining and paying the employer contribution to the State are set by decree in Conseil d'État;

d) to be assumed by the France Télécom state company, an exceptional lump-sum contribution, whose amount and payment terms and conditions are to be set in the Finance Act before December 31st 1996.

Art. 30 bis

The provisions of Law n° 87-517 dated July 10th 1987, in favor of the employment of handicapped workers, are applicable to La Poste and to France Télécom.

Art. 30-1 : France Telecom only

Art. 31

La Poste shall employ contract employees under the collective agreements system.

Employment of employees, *subject to the collective labor agreement system* (9) does not result in making applicable to La Poste and to France Télécom the provisions of labor laws relative to joint committees, staff representatives and trade-union management representatives.

A *Conseil d'Etat* decree shall determine the terms on which employees of La Poste are represented in consultation bodies responsible for ensuring the collective expression of their interests, in particular concerning organization of services and departments, terms of employment and vocational training. It shall also specify, taking into account the objective of harmonizing staff institutions within La Poste, the terms on which individual representation of private-law employees is ensured and shall establish rules of protection for their representatives that are at least equivalent to those provided for staff representatives under the Labor Code.

Art. 31-1 : France Telecom only

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Art 31-2

A strategy discussion committee shall be set up in La Poste to keep union organizations informed about La Poste's development prospects and to gather their views on the group's strategic guidelines.

A social dialogue committee shall also be set up to provide consultation with union organizations concerning national management projects and topical issues and to keep them informed.

Through negotiation and consultation La Poste shall seek to enter into agreements with union organizations in all areas of industrial relations relating to postal activity. Negotiating and consultation bodies shall be set up for this purpose at national and local levels after consulting representative union organizations.

These bodies shall monitor implementation of agreements signed. A national conciliation committee shall be responsible for promoting friendly settlement of disputes.

Art 31-3

Part IV of the Labour Code shall apply to all employees of La Poste, subject to adjustments specified by a *Conseil d'Etat* decree taking account of the special provisions relating to civil servants and the employment of contract staff.

Art. 32

I. The provisions of Chapter I of Ordinance n° 86-1134 dated October 21st 1986 relative to profit-sharing and the participation of employees in the company's results and to the employees' stock ownership plan are applicable to all personnel of La Poste and of France Télécom.

The conditions under which these personnel benefit from profit-sharing linked to the development of products and services are set by the board of directors of each operator.

II. The provisions of Part III, Book III, Titles II, III and IV of the labor laws are applicable to all personnel of France Télécom, including those referred to in Articles 29 and 44 of the present law, as of the 1997 fiscal year.

III. In compliance with the conditions which shall be defined by the contract referred to in section 9, each establishment or group of establishments of La Poste whose size is greater than a threshold defined by the board of directors has a management contract.

The other provisions of Part III, Book III of the Labour Code, with the exception of Title II, shall apply to all La Poste staff, including those referred to in sections 29 and 44 of this law. Capital can be increased and reserved shares transferred through one or more employees'

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mutual funds, pursuant to Articles L.3332-18 *et seq.* of the Labour Code, subject to the following provisions.

The value of the company shall be determined by the Holdings and Transfers Board no later than one month from the date on which the matter was referred to it by the Minister for the Economy. This valuation shall be made by objective methods in common use for full or partial disposal of company assets, taking into account, with appropriate weighting in each case, asset value, profits, existence of subsidiaries, and future prospects. It shall be published. The transfer price shall be established on the basis of the company value thus determined. The subscription price shall be set in accordance with the last paragraph of Article L.3332-20 of the Labour Code no later than sixty days after the date of this valuation.

The staff of La Poste and its subsidiaries, together with their entitled dependants, can hold only a minority share of La Poste's capital.

Part III, Book III, Title II of the Labour Code can be applied to all La Poste staff subject to the conditions laid down by a *Conseil d'Etat* decree.

Art. 32-1

The provisions of Article 208-1 and 208-19 of Law n° 66-537 dated July 24th 1966 on commercial companies, of Articles 11 to 14 of Law n° 86-912 dated August 6th 1986 relative to the terms and conditions of privatization and of Chapter III of Law n° 88-1201 dated December 23rd 1988 relative to collective investment organizations in securities and relevant to creation of claim mutual funds also apply to employees or former employees mentioned in Articles 29 and 44 of the present law, assigned to France Télécom or having been assigned for at least five years to the France Télécom public law legal entity or to the France Télécom state company.

Art. 31-2 : France Telecom only

Art 32-3

La Poste may make free allotments of shares under the terms of Articles L.225-197-1 to L. 225-197-4 of the Commercial Code, subject to the provisions of section 32, paragraph III of this law. These allotments may also be made to La Poste staff referred to in sections 29 and 44 of this law. Upon expiry of the acquisition period referred to in the fifth paragraph of paragraph I of Article L.225-197-1 of the Commercial Code, the shares allotted free of charge shall be transferred to one or more employees' mutual funds. The mandatory period for holding the shares specified in the same paragraph I shall apply to employees' mutual fund certificates received in exchange for the transfer.

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Repealed articles are not mentioned.

For the free allotment of shares referred to in the first paragraph, the value of the company shall be determined and published in the same manner as that provided for in the third paragraph of section 32, paragraph III of this law. Furthermore, within the same period of one month from the date on which the matter is referred to it by the Minister for the Economy, the Holdings and Transfers Board can object to the operation if the conditions go against the proprietary interests of public corporations. The Board's objection shall be published. The free shares must be allotted no later than sixty days from the date of the valuation.

Art. 33

Between them, La Poste and France Télécom constitute one or more public interest groups possessing the juridical personality and financial autonomy in order to ensure the management of joint services and departments, and *particularly joint associative activities* .

These public interest groups are set up without capital, through an association of means agreement between the two operators, and do not result in the realization or sharing of profits. The rights of their members cannot be represented by negotiable securities. Any clause to the contrary is deemed not written.

The management board of each public interest group *not relevant to social activities* is comprised of a representative of each of the two operators, who ensure, on an alternating basis, the chairmanship and a representative appointed by the ministry in charge of the post and telecommunications.

The group director is appointed by the management board. Under the authority of the management board, he ensures all responsibilities attached to the organization and operation of the group. In relations with third parties, the director commits the group for any act coming under its company object.

Group accounting is kept by and its management is ensured according to rules applicable to commercial companies.

The constitutive agreement of each group is subject to the approval of the minister in charge of the post and telecommunications. It determines the terms and conditions for members' participation in the financing of activities and the conditions under which they are responsible for the group's debts. In particular, it indicates the conditions under which the operators make civil servant personnel available to the group.

Art. 33-1

A guideline and management board for social activities is created within France Télécom and within La Poste, responsible for defining the policy and for ensuring the management and verification of social activities falling within each public operator.

This document has no legal value.

The articles related to France Télécom only, have been deleted on this text.

Repealed articles are not mentioned.

Each social activity guideline and management board includes eight representatives who are appointed, respectively, by France Télécom or La Poste, eight representatives appointed by representative union organizations, eight representatives appointed by national-based personnel associations.

Representatives of national-based personnel associations are appointed by the associations of the sector to which they belong, at the rate of two associations for each of the following four sectors: national insurance and solidarity, sporting and recreational activities, cultural activities, economic and catering activities. In case of vote, each sector has a single vote.

The chairmen of France Télécom and of La Poste or their representatives are, de jure, chairmen of the guideline and management boards of France Télécom's or La Poste's social activities. They are each assisted by two vice-chairmen appointed from among union organization representatives by representatives to the guideline and management board of union organizations and national-based personnel associations, according to the same voting rules as in said board.

The constitutive agreement of the guideline and management boards is subject to the approval of the minister in charge of the post and telecommunications, and set the application terms and conditions of the present article.

CHAPTER VIII : SUPERVISORY AUTHORITY

Art. 34

The minister in charge of the post and telecommunications ensures, in the framework of his general attributions in the post and telecommunications sector, compliance with laws and rules applicable to the post and telecommunications public service and to other missions which are entrusted by the present law to the public operators.

He shall prepare the plan contract of the public operator and ensure compliance with its provisions. He takes all necessary measures in order to maintain the complementarity of the activities of La Poste and of France Télécom, to privilege the diversification of activities and the versatility of post offices in rural surroundings, and ensures unity of the statutes and the social situation of personnel of La Poste and of France Télécom, the independence of the associative movement common to their employees, and the possibilities of professional mobility between the two public operators, as well as application of the principles relative to the professional equality of men and women.

Art. 38

In order to implement local consultation on La Poste network development projects, a *département* postal coverage committee consisting of elected representatives shall be set up in each *département*. It shall meet in the presence of a government representative, who shall be responsible for coordinating its work with that of the *département* committee for public service organisation and modernisation, and a representative from La Poste, who shall act as secretary.

This document has no legal value.

The articles related to France Télécom only, have been deleted on this text.

Repealed articles are not mentioned.

The accessibility requirements for the La Poste network referred to in section 6 shall be determined after consulting the *département* postal coverage committee. In the *département* the *département* postal coverage committee shall, taking into consideration mountain areas, rural rehabilitation areas and sensitive urban areas, recommend the apportionment of the national postal fund allocation for geographical equalisation defined in this section.

A decree, adopted after consulting the Commission for the Public Service of Postal and Electronic Communications, shall specify the committee's composition, powers and operating rules.

Art. 39

La Poste is subject to verification by the State Audit Office stipulated in A of Article 6 *bis* of Law n° 67-483 dated June 22nd 1967 relative to the State Audit Office.

La Poste is subject to economic and financial verification by the State under the conditions stipulated for the organizations referred to in Article 1 of Decree n° 55-733 dated May 26th 1955, modified.

CHAPTER IX : MISCELLANEOUS PROVISIONS

Art. 41

modifies the following provisions :

CODE GENERAL DES IMPOTS ANNEXE 3, CGIAN3. - art. 405 E (P)
CODE GENERAL DES IMPOTS ANNEXE 3, CGIAN3. - art. 74 (M)
CODE GENERAL DES IMPOTS ANNEXE 4, CGIAN4. - art. 23 bis (V)
CODE GENERAL DES IMPOTS, CGI. - art. 125 A (M)
CODE GENERAL DES IMPOTS, CGI. - art. 208 (M)
CODE GENERAL DES IMPOTS, CGI. - art. 256 B (V)

Art. 42

modifies the following provisions :

Code des caisses d'épargne - art. 27 (Ab)
Code des caisses d'épargne - art. 34 (Ab)

Art. 43

The provisions of Ordinance n° 59-76 dated January 7th 1959 relative to civil compensation proceedings of the State and of certain other public persons are applicable to appeals made by La Poste and France Télécom with respect to their civil servant personnel.

This document has no legal value.

The articles related to France Télécom only, have been deleted on this text.

Repealed articles are not mentioned.

Art. 44

Personnel in active service assigned, on December 31st 1990, to job-positions in a service or department coming under the post office administrative division or the telecommunications administrative division are placed, in full accordance with the law, under the authority of the chairman of the board of directors of La Poste or of that of France Télécom, respectively, as of January 1st 1991, without any changes in their status. Post and telecommunications personnel in position, other than that of active service, on December 31st 1990, come, in full accordance with the law, as of January 1st 1991, without any change in their status, under the public operator which has succeeded to the service of their last active service assignment.

Nonetheless, civil servants coming under interdepartmental statutes or central administration bodies remain subject to the provisions of their special statutes. When applicable, there shall be stipulated in these special statutes, the specific conditions under which the civil servants in question can be made available to the operators.

Civil servants who are governed by a central administration interdepartmental status work in active service only in the services or departments of the minister of the post and telecommunications.

Personnel assignment conditions, other than those referred to in the first paragraph of the present article, are determined, in accordance with the needs of the ministry and the operating parties, through order of the minister of the post and telecommunications.

La Poste and France Télécom are substituted for the State in contracts signed prior to January 1st 1991 with non-civil servant employees coming, respectively, under the post office administrative division and the telecommunications administrative division. The interested parties shall have, at the latest by December 31st 1991, and six months after they have received notification of conditions for exercising the choice, the right to choose:

- either to maintain their public law employee contract;
- or hiring under the system stipulated in Article 31 of the present law.

Art. 45

The initial board of directors of each of the two operators shall be in office by December 31st 1990, in order to propose the nomination of its chairman, in application of Article 10 of above-mentioned Law n° 83-675 dated July 26th 1983.

Art. 46

The elections of works representatives to the boards of directors stipulated in Article 12 of the present law must be organized by June 30th 1991.

Until declaration of the results of these elections, works representatives to the boards of directors shall be appointed by decree upon proposal from representative union organizations within groups made up by each public operator with its subsidiaries, and in accordance with the representative character of each of these organizations.

Art. 47

Legal proceedings relative to the property, rights and obligations committed before January 1st 1991 which, before this date, fell within the competence of the administrative jurisdiction, remain under its jurisdiction.

Those of these proceedings which the post office administrative division and the telecommunications administrative division were not competent to examine, in accordance with regulatory texts in force on December 31st 1990, continue to be exercised by the State in petition and in defense. The resulting benefit or burden of convictions shall be the responsibility of each operator, depending on the subject of the litigation.

Art. 48

I. The initial memorandum and articles of association of the public limited company La Poste and the interim arrangements for its management until its statutory bodies have been set up shall be laid down by a *Conseil d'Etat* decree. Once these statutory bodies have been set up, the memorandum and articles of association can be amended as provided for in the Commercial Code with regard to public limited companies.

II. The accounts of the public operator La Poste for the 2009 financial year shall be approved under ordinary law by the general meeting of the La Poste company. The balance sheet of the La Poste company as at 31 December 2010 shall be drawn up on the basis of the public operator's balance sheet as at 31 December 2009 and the income statement for the 2010 financial year.

III. Elected staff representatives in office as at 28 February 2010 shall remain in office until their term expires and subject to the conditions of the above-mentioned Law No. 83-675 of 26 July 1983.

IV. The conversion of La Poste into a public limited company shall not affect the current powers of its statutory auditors at the time of the conversion.