

JULY 7, 2006



A French corporation (*société anonyme*)

€79,999,930.60

1.50% Bonds convertible into and/or exchangeable for new or existing Nexans shares due January 1, 2013

(Obligations à option de conversion et/ou d'échange en actions nouvelles ou existantes)

English Translation of the Terms and Conditions of the Bonds

This document contains a free translation of the terms and conditions of the above-mentioned Bonds. It is for information purposes only and does not constitute an offer of the Bonds, which have been fully subscribed prior to the date of this document. In the event of any discrepancy between this translation and the actual terms and conditions of the Bonds in the French language, the actual terms and conditions of the Bonds in the French language shall govern.

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For the purpose of the offering of the Bonds in France, a *prospectus* in the French language was prepared (consisting of (i) the Company's reference document filed with the *Autorité des marchés financiers* (AMF) on April 7, 2006 under n° D-06-0232, (ii) the consolidated financial statements and reports of the statutory auditors on the consolidated financial statements for the years ended December 31, 2004 and 2005, as set forth in the Company's reference document filed with the AMF on April 7, 2006 under n° D-06-0232 and (iii) the *Note d'opération* which received *visa* n° 06-242 dated June 29, 2006 from the AMF and includes a section describing certain risk factors relating to the Company and the offering). No public offering of the Bonds occurred in any jurisdiction other than France.

SUMMARY OF THE TERMS AND CONDITIONS

The following summary contains summary information about the Bonds and is not a complete description of the Bonds. Thus, it does not contain all of the information that is important. For a free translation of the exact terms of the Bonds, please read the section entitled "Terms and Conditions of the Bonds".

Issuer	Nexans, a French <i>société anonyme</i> ("Nexans" or the "Company")
Securities and Issue Size.....	€ 279,999,930.60 principal amount of 1.50% Bonds convertible into and/or exchangeable for new or existing shares (OCEANE) due January 1, 2013 (the "Bonds").
Principal Amount per Bond.....	€73.80.
Issue Date	July 7, 2006.
Maturity Date and Redemption Price	January 1, 2013 (or the following business day if such date is not a business day) at a redemption price of €85.7556 per Bond, <i>i.e.</i> 116.20% of the nominal value of the Bonds.
Interest.....	The Bonds will bear interest at a rate of 1.50% per annum, <i>i.e.</i> €1.107 per Bond, payable in arrear on January 1 of each year (or the following business day if such date is not a business day). For the period from July 7, 2006, the issue date, to December 31, 2006, the Bonds will accrue interest of €0.53985 per Bond, payable on January 1, 2007 (or the following business day if such date is not a business day).
Gross Yield to maturity	3.75%
Early redemption at the Company's option	<p>The Company may, at its sole option, at any time on or after July 7, 2008, subject to giving 30-days prior notice, redeem all, but not some, of the Bonds under the following conditions:</p> <p>(i) The early redemption price will be equal to the price that provides a gross yield (determined in the manner described herein) identical to that which would have been obtained in the event of redemption at maturity, <i>i.e.</i>, a rate of 3.75% per annum, plus accrued interest from the Interest Payment Date preceding the Early Redemption Date until the effective date of redemption;</p> <p>(ii) such early redemption will be only possible if the product of:</p> <ul style="list-style-type: none">- the average opening price of the Company's shares on the Eurolist market of Euronext Paris calculated over a period of 20 consecutive trading days during which the shares are traded, as selected by the Company from among the 40 consecutive trading days

preceding the date of publication of the notice relating to such early redemption; and

- the applicable Conversion/Exchange Ratio;

exceeds 150% of the accreted value of the Bonds if the early redemption date is on or prior to July 6, 2010, or 125% of the accreted value of the Bonds, if the early redemption date is between July 7, 2010 and December 31, 2012.

Conversion /Exchange Price.....	Initially equal to the principal amount per Bond, <i>i.e.</i> €73.80 (subject to adjustment).
Conversion/Exchange Ratio	One share per Bond, subject to adjustment in the event of certain financial transactions. See “Terms and Conditions of the Bonds—Maintenance of Bondholders’ Rights”.
Conversion/Exchange Rights.....	Holder may convert and/or exchange their Bonds at any time from July 7, 2006, the issue date, until the seventh business day preceding their maturity date or their earlier redemption date, at the applicable Conversion / Exchange Ratio. Upon exercise of any conversion/exchange right, the Company may deliver new or existing shares or a combination thereof, at its option. Upon conversion or exchange of Bonds, no payment in respect of the periods from the previous interest payment date will be made of accrued interest.
Status	The Bonds and the interest thereon constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company, and rank equally amongst themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated debts and guarantees of the Company (except for those which have a preference provided for by law).
Governing law	French law.

TERMS AND CONDITIONS OF THE BONDS

The following is a free English translation of the Terms and Conditions of the Bonds, which appear in the Company's French language note d'opération, which formed part of the French prospectus prepared in connection with the issuance of the Bonds and which was granted a visa by the AMF. The Terms and Conditions are set forth in Article 4 of the French note d'opération, and as a result numbered conditions below are numbered beginning with the number 4 to correspond to the French prospectus. Certain paragraphs from Article 4 of the French prospectus are not part of the Terms and Conditions of the Bonds and have been omitted from this free translation (the relevant paragraphs are indicated below).

In case of any discrepancy between this free translation and the original French version of the Terms and Conditions, the original French version shall prevail.

4.1 Nature, form and delivery of the Bonds

The Bonds to be issued by the Company constitute securities giving access to the share capital within the meaning of Articles L. 228-91 *et seq.* of the French Commercial Code (*Code de Commerce*), as amended by the *Ordonnance* n° 2004-604 dated June 24, 2004 amending the provisions governing securities issued by commercial firms.

The Bonds are expected to be listed on July 7, 2006 under the ISIN FR0010354670. No other listing on any other market is expected.

4.2 Principal amount of the Bonds - Issue Price of the Bonds

The principal amount of each Bond is fixed at €73.80, which corresponds to an issue premium of 35% over to the reference price of €54.67 for the Company's shares taken as the volume-weighted average share price of the Company on the Compartment B of the Eurolist market of Euronext Paris from the opening of the market on June 29, 2006 until the determination of the final terms and conditions of the issue.

4.3 Applicable Law and Courts having jurisdiction in the event of a dispute

The Bonds are governed by the laws of the French Republic.

The courts having jurisdiction in the event of a dispute are those where the head office of the Company is located when the Company is the defendant and, in other cases, are designated according to the nature of the dispute, unless otherwise provided by the French Civil Procedure Code (*Nouveau Code de Procédure Civile*).

4.4 Form and delivery of the Bonds

The Bonds will be in either registered or bearer form, at the option of the holders. They will be held in dematerialized book-entry form by, as the case may be:

- Société Générale acting on behalf of the Company in respect of fully registered Bonds (*nominatif pur*);
- an authorized financial intermediary of the holder's choice and Société Générale acting on behalf of the Company, in respect of Bonds in administered registered form (*nominatif administré*);
- an authorized financial intermediary of the holders' choice in respect of Bonds in bearer form (*au porteur*).

The Bonds will be accepted for clearance through Euroclear France, which will ensure the settlement of Bonds between account holders. The Bonds will also be accepted for clearance through Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme*.

The Bonds will be credited to the accounts of their holders in book-entry form and will begin trading on July 7, 2006, the issue date of the Bonds.

4.5 Currency of Issuance

The Bonds will be issued in euro.

4.6 Rank of the Bonds

4.6.1 Status

The Bonds and the interest thereon constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company, and rank equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debts and guarantees of the Company, present and future (except for those which have a preference provided by law).

The Company's obligation to pay interest, principal, taxes, costs and other amounts in respect of the Bonds is not guaranteed or secured.

4.6.2 Negative pledge

So long as any of the Bonds remain outstanding, the Company shall not grant any lien (*hypothèque*) over its present or future assets or real property interests, nor any pledge (*nantissement*) on its assets or any other security (*sûreté réelle*) on its assets or income, present or future, in each case for the benefit of holders of other bonds issued or guaranteed by the Company, listed or capable of being listed on a regulated market, without granting prior or concurrent similar security to the Bondholders and ensuring that the Bonds have the same ranking.

This undertaking is given only in relation to security interests granted in relation with Bonds (*obligations*) that are listed or capable of being listed on a regulated market and does not affect in any way the right of the Company to otherwise dispose of its assets or to grant any security in respect of such assets in any other circumstances.

4.6.3 Further Issues

If the Company subsequently issues new bonds which have the same rights as the Bonds in all respects, the Company may, without the consent of Bondholders and provided that the terms and conditions of such bonds so permit, consolidate the Bonds with the bonds of any such subsequent issuances, thereby treating such bonds as the same issuance for the purposes of trading and agency services.

4.7 Rights and restrictions attached to the Bonds and terms of exercise of the rights

The Bonds may be converted into new shares of the Company or exchanged for existing shares of the Company, subject to the conditions listed in paragraph 4.16 ("Conversion into and/or Exchange of Bonds for Shares"), at any time from July 7, 2006 until the seventh business day prior to their redemption, expected to be December 23, 2012.

As long as the Bonds have not been converted, exchanged or redeemed, they will bear interest, paid annually in arrear, in conformity with the provisions of paragraph 4.8 ("Interest").

Bonds that have not been converted into new shares or exchanged for existing shares of the Company will be repaid according to the conditions described in paragraph 4.9 ("Redemption Date of and Redemption of the Bonds").

There are no restrictions attached to the Bonds.

4.8 Nominal interest rate and provisions relating to accrued interests

4.8.1 Issue date

July 7, 2006.

4.8.2 Interest

(a) Nominal annual interest rate

1.50%.

(b) Annual interest

The Bonds will bear interest at an annual rate of 1.50% of their principal amount, *i.e.* €1.107 per Bond, payable in arrear on January 1 of each year (or the following business day if such date is not a business day) and for the first time on January 1, 2007 (or the following business day if such date is not a business day) (each such date being an “Interest Payment Date”). Interest for the period from July 7, 2006, the issue date of the Bonds, to December 31, 2006, which is payable on January 1, 2007 (or the following business day if such date is not a business day), will be in an amount of approximately €0.53985 per Bond, calculated as described below.

All interest payments relating to an interest period of less than one full year will be calculated on the basis of the above-mentioned annual interest rate multiplied by the number of days elapsed in the relevant period on the basis of a 365-day year (or a 366-day year in a leap year).

Subject to the provisions of paragraph 4.16.5 below (“Rights of Bondholders to interest on the Bonds and to dividends with respect to shares delivered”), interest will cease to accrue from the redemption date of the Bonds.

Claims in respect of interest will become void after a period of five years from the due date of payment.

4.9 Redemption Date and Redemption of the Bonds

4.9.1 Redemption at maturity

Unless the Bonds have been subject to early redemption, exchange or conversion under the conditions set out below, they will be redeemed in full on January 1, 2013 (or the following business day if such date is not a business day) at a redemption price of €85.7556 per Bond, *i.e.* to 116.20% of the nominal value of the Bonds.

Claims in respect of principal will become void after a period of 30 years from the date of redemption.

4.9.2 Early redemption by repurchase or public tender offers

The Company reserves the right to redeem the Bonds at any time, without limitations as to price or quantity, through purchases on the market or over-the-counter or by means of public tender offers or exchange offers. Any such transactions shall not affect the maturity date for the redemption of any Bonds remaining outstanding. Any Bonds so acquired will be cancelled.

4.9.3 Early redemption at the Company's option

1. The Company may, at its sole option, at any time from July 7, 2008 and until July 6, 2010, subject to 30 calendar days' notice given as described in paragraph 4.9.5 ("Publication of information in the event of redemption at maturity or early redemption of Bonds"), redeem early all of the Bonds outstanding under the following conditions:

- (i) The early redemption price will be determined so that it provides, at the effective date of redemption, after taking into account the interest paid in the previous years and the interest accrued since the Interest Payment Date preceding the early redemption date until the date of effective redemption, a gross yield to redemption identical to that which would have been obtained in the event of repayment at maturity, *i.e.* a yield of 3.75% per annum (the "Early Redemption Price"), plus interest accrued from the Interest Payment Date preceding the Early Redemption Date until the effective date of redemption;
- (ii) such early redemption will only be possible if the product of:
 - the arithmetic mean of the opening prices of an ordinary share of the Company on the Eurolist market of Euronext Paris calculated over a period of 20 consecutive trading days during which the shares are traded, as selected by the Company from among the 40 consecutive trading days immediately preceding the date of publication of the notice relating to such early redemption (as described in paragraph 4.9.5 ("Publication of information in the event of redemption at maturity or early redemption of Bonds")); and
 - the Conversion/Exchange Ratio in effect on such date (as defined in paragraph 4.16.3 ("Exercise Period and Conversion/Exchange Ratio"));

exceeds 150% of such Early Redemption Price.

2. The Company may, at its sole option, at any time from July 7, 2010 and until December 31, 2012, subject to the 30 calendar days' notice given as described in paragraph 4.9.5 ("Publication of information in the event of redemption at maturity or early redemption of Bonds"), redeem early all of the Bonds outstanding under the following conditions:

- (i) The early redemption price will be the Early Redemption Price determined pursuant to paragraph (1) above, plus interest accrued from the Interest Payment Date preceding the early redemption date to the effective redemption date;
- (ii) such early redemption will only be possible if the product of:
 - the arithmetic mean of the opening prices of an ordinary share of the Company on the Eurolist market of Euronext Paris calculated over a period of 20 consecutive trading days during which the shares are traded, as selected by the Company from among the 40 consecutive trading days immediately preceding the date of publication of the notice relating to such early redemption (as described in paragraph 4.9.5 ("Publication of information in the event of redemption at maturity or early redemption of Bonds")); and
 - the Conversion/Exchange Ratio in effect on such date;

exceeds 125% of such Early Redemption Price.

A “trading day” shall mean any business day on which shares are traded on the Eurolist market of Euronext Paris, other than a day on which such trading ceases prior to the usual closing time.

A “business day” shall mean any day (other than a Saturday or Sunday) on which banks are open in Paris and on which Euroclear France operates.

For informational purposes, the table below sets forth, for the Interest Payment Dates included in the optional early redemption period, the early redemption price of each Bond in the event of redemption, the minimum price of the Company's shares required in order to allow for early redemption, the implied average annual growth rate for the shares to reach such minimum price and the yield to maturity for such minimum price in the event of exercise of any conversion/exchange right:

Early redemption date	Early redemption price	Minimum share price required for early redemption	Implied annual growth rate for the shares ⁽¹⁾	Yield to maturity in the event of exercise of conversion/exchange rights
January 1, 2009	€78.05	€117.08	35.77%	21.23%
January 1, 2011	€81.76	€102.20	14.95%	8.60%

⁽¹⁾ Without taking dividends into account, compared to the reference price of €54.67 and as of a June 29, 2006 calculation date.

3. The Company may, at its sole option, redeem all of the Bonds outstanding at any time, at a price equal to the Early Redemption Price as defined in paragraph 4.9.3(1) above, plus interest accrued since the last Interest Payment Date preceding the early redemption date until the date of effective redemption, if the number of Bonds remaining outstanding is less than 10% of the number of the Bonds issued.

4. In the cases described in the paragraphs above, the Bondholders will retain the ability to exercise their right to convert/exchange their Bonds in accordance with the terms set forth in paragraph 4.16.3 (“Exercise Period and Conversion/Exchange Ratio”) below.

5. In the cases described in the paragraphs above, interest on the Bonds will cease to accrue as from the effective date of redemption of the Bonds by the Company.

4.9.4 Early Redemption upon an event of default

The representative of the *Masse* of Bondholders may, pursuant to a decision of a general Bondholders’ meeting in accordance with the applicable quorum and majority requirements, by written notice sent to the Company, with a copy to the paying agent, require that all the Bonds be redeemed at a price equal to the Early Redemption Price determined in accordance with paragraph 4.9.3(1) above, plus interest accrued from the Interest Payment Date preceding the early redemption date to the effective redemption date, if any of the following events occur:

- (a) in the event that the Company defaults in the payment of interest due on the date of payment in respect of any Bond and such default continues for a period of 7 business days from the due date;

- (b) in the event that the Company fails to perform or observe any of its other obligations under the terms of the Bonds and such failure is not remedied within 30 days following receipt by the Company of written notice of such default from the representatives of the *Masse* of the Bondholders;
- (c) in the event that the Company or any Principal Subsidiary (as defined below) defaults in the payment of any financial indebtedness or guarantee of financial indebtedness, on their due date or, as the case may be, after the expiry of any applicable grace period, in a total amount of at least €20 million, unless the Company or the Principal Subsidiary is disputing its obligation to pay in good faith before a competent court, in which case the acceleration of the Bonds may not be declared unless the relevant court renders a decision on the merits finding that a payment default has occurred and that the Company has not complied with the terms of such court decision;
- (d) in the event of acceleration following a default by the Company or any Principal Subsidiary (as defined below) relating to another financial indebtedness in an amount of at least €20 million (including breach of financial ratios if provided for by the agreements relating to such indebtedness) unless the Company or the Principal Subsidiary is disputing its obligation to pay in good faith before a competent court, in which case the acceleration of the Bonds may not be declared unless the relevant court renders a decision on the merits finding that a payment default has occurred and that the Company has not complied with the terms of such court decision ;
- (e) in the event that the Company or one of its Principal Subsidiaries (as defined hereinafter) is subject to a conciliation proceeding (*procédure de conciliation*) in accordance with articles L. 611-4 *et seq.* of the French Commercial Code, is subject to a reorganization proceeding (*procédure de sauvegarde*) in accordance with articles L. 620-1 *et seq.* of the French Commercial Code, becomes insolvent (*cessation de paiements*) or becomes subject to a judicial liquidation or judicial sale of its business or any other equivalent measure or procedure;
- (f) in the event that the shares of the Company cease to be listed either on the Eurolist market of Euronext Paris or on a regulated market within the European Union.

“Principal Subsidiary” means a company of which the Company holds, either directly or indirectly, more than 50% of the share capital or the voting rights and which represents more than 5% (i) of the Company’s consolidated revenues or (ii) of the Company’s consolidated assets, calculated on the basis of the Company's last consolidated audited accounts.

4.9.5 Publication of information in the event of redemption at maturity or early redemption of Bonds

Information relating to the number of Bonds redeemed, converted or exchanged and to the number of Bonds remaining outstanding shall be provided each year to Euronext Paris for publication and may be obtained from the Company or from Société Générale in its capacity as the paying agent (the “Paying Agent”).

In the event that the Company decides to redeem all the Bonds upon or prior to maturity, a notice to that effect shall be published in the *Journal Officiel* (for so long as required by French regulations), in a financial newspaper with general distribution in France and in a notice issued by Euronext Paris S.A., no later than 30 calendar days prior to the effective or possible redemption date.

4.9.6 Cancellation of Bonds

Bonds redeemed at or prior to maturity, Bonds repurchased on the market or over-the-counter or by way of public tender offers, as well as converted or exchanged Bonds, shall cease to be considered outstanding and shall be cancelled in accordance with French law.

4.10 Annual gross yield to maturity

3.75% at the settlement date of the Bonds (in the absence of conversion into and/or exchange for shares and in the absence of early redemption).

In the French bond market, the yield to maturity of a bond is the annual rate which, at a given date, at such rate and on a compound interest basis, equals the present value of all amounts payable and all amounts receivable under the considered bond (as defined by the Bond Standardization Committee (*Comité de normalisation obligataire*)).

For informational purposes, the table below sets forth the prices which a share of the Company would need to reach on the maturity date of the Bonds in order to provide, following conversion into and/or exchange of the Bonds for shares, different yield spreads as compared with the reference French treasury bonds (*obligations assimilables du Trésor*, or OAT) and the necessary average annual growth rate of the shares for the shares to reach such prices:

Yield to maturity at the settlement date ⁽¹⁾	Share price at maturity (in euros)	Implied average annual growth rate of the shares ⁽²⁾⁽³⁾
OAT = 3.91%	€87.78	7.57%
OAT + 1% = 4.91%	€93.62	8.64%
OAT + 2% = 5.91%	€99.79	9.71%

⁽¹⁾ Yield to maturity extrapolated from French treasury bonds with the same maturity: 3.91% as of June 29, 2006.

⁽²⁾ Without taking dividends into account.

⁽³⁾ Compared to the reference price of €54.67 and with a calculation date of June 29, 2006.

4.11 Representation of Bondholders

In accordance with Article L. 228-103 of the French Commercial Code, Bondholders will be grouped together in a collective group (the “*Masse*”), which shall have legal personality. A general Bondholders’ meeting shall be called to authorize all modifications of the terms and conditions of the Bonds and to vote on all decisions that must be submitted to its approval by law.

The Company may not modify its structure or its corporate purpose without consulting a General Meeting of Bondholders. Should the Bondholders at a General Meeting vote against the proposal, the Company may redeem the Bonds in accordance with article L. 228-72 of the French Commercial Code at a price equal to the early redemption price determined in accordance with paragraph 4.9.3(1) above, plus interest accrued since the Interest Payment Date preceding the Early Redemption Date to the effective redemption date.

4.11.1 Representative of the *Masse*.

In accordance with Article L. 228-47 of the French Commercial Code, the representative of the *Masse* will be:

Association de représentation des masses de titulaires de valeurs mobilières
Centre Jacques Ferronnière
32, rue du Champ de Tir, B.P. 81 236
44 312 Nantes Cedex 3
France
represented by Mrs. Solène Boussarie
at the same address

The representative will have the power, without restriction or reservation, to carry out, on behalf of the *Masse*, all actions of an administrative nature that may be necessary to protect the common interests of the Bondholders.

It will exercise its duties until dissolution, resignation, or termination of its duties by a general meeting of Bondholders or until it becomes unable to act. Its appointment shall automatically cease on the date of final or total redemption of the Bonds, whether at or prior to maturity. This term will be automatically extended, where applicable, until the final resolution of any legal proceedings in which the representative is involved and the enforcement of any judgments rendered or settlements made pursuant thereto.

The representative of the *Masse* shall be entitled to remuneration of €400 per year, payable by the Company on January 1 of each year (or the following business day if such date is not a business day) for each of the years from 2007 to 2012 inclusive, insofar as there are still Bonds outstanding at such dates.

4.11.2 General information

The Company will bear the cost of remuneration of the representative of the *Masse* and the expenses of calling and holding general meetings of Bondholders, publishing the decisions thereof, any fees related to the appointment of the representatives of the *Masse* under Article L. 228-50 of the French Commercial Code and, more generally, all duly incurred and documented costs of the administration and management of the *Masse*.

General Bondholders' meetings shall be held at the registered office of the Company or such other place as shall be specified in the notice convening the meeting. Each Bondholder shall have the right, during the period of 15 days preceding the general meeting of the *Masse*, to examine or to make copies of the text of the resolutions to be proposed, as well as any reports to be presented to the meeting, at the registered office or administrative headquarters of the Company or at such other place as may be specified in the notice convening such meeting, or to cause an agent to do the foregoing on its behalf.

In the event that future issuances of bonds give subscribers identical rights to those under the Bonds and if the terms and conditions of such future bonds so permit, the holders of all of such bonds shall be grouped together in a single *Masse*.

4.12 Authorizations

4.12.1 General Shareholders' Meeting authorizing the issuance

For this issuance of the Bonds, the Board of Directors of the Company used the authority delegated to it by the twelfth and thirteenth resolutions of the General Shareholders' Meeting held on May 15, 2006.

The General Shareholders' Meeting of the Company held on May 15, 2006, in compliance with the rules relating to quorum and majority voting requirements for General Extraordinary Shareholders' Meetings, adopted the following in its twelfth resolution:

1. Delegates to the Board of Directors with the power to sub-delegate as permitted by law, the necessary powers in order to increase the share capital, on one or more occasions in such proportion and at such periods as it may deem appropriate, subject to the provisions of article L. 225-129-3 of the French Commercial Code, in France and abroad or on the international markets, by public offer in euros, in foreign currency or in any other monetary unit set by reference to several currencies, by issuance of securities which give the right to acquire shares in the Company (whether existing or new shares), issued for consideration or no consideration pursuant to article L. 228-91 *et seq.* of the French Commercial Code, which shares may be subscribed for either in cash or by set-off;
2. (...)
3. Delegates to the Board of Directors with the power to sub-delegate as permitted by law, the necessary powers to issue securities giving the right to acquire shares in the companies in which the Company directly or indirectly holds more than half of the share capital;
4. Decides to set the following limits on the amounts of authorised issuances in case of exercise of these powers by the Board of Directors:
 - the overall maximum par value amount of share capital increases which may be carried out whether immediately or in the future pursuant to this resolution is fixed at €4 million, which will be deducted from both the maximum amount of €10 million fixed in paragraph 2(i) of the eleventh resolution of this general meeting and the maximum global amount fixed in paragraph 2(ii) of the eleventh resolution of this general meeting;
 - the above limits shall be increased by the nominal amount of any shares that may be issued as part of any new financial transactions, in order to protect the rights of holders of securities giving the right to acquire shares in the Company;
 - the maximum par value amount of debt securities which may be issued giving the right to acquire shares in the Company is fixed at €350 million or the equivalent on the date of issuance of such amount in any other currency or any other monetary unit set by reference to several currencies, which limit will be increased by the amount of any premium for reimbursement over the par value;
5. Decides that the authorisation granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to approve the accounts for the financial year ending December 31, 2006;
6. Decides to disapply the preferential subscription rights of shareholders to the securities issued pursuant to this resolution. However, the Board of Directors shall have the right for all or part of any issuance, in accordance with the 2nd paragraph of Article L. 225-135 of the French Commercial Code, to grant shareholders, for a period and in accordance with the terms and conditions that it shall determine subject to compliance with applicable laws and regulations, for all or part of any issuance, a priority but non-negotiable subscription right pro rata the number of shares held by each shareholder with the possibility also to allocate any remaining unsubscribed

securities on a non pro rata basis. Any shares which are not subscribed to will be sold through a public offering on the French market and/or abroad and/or on the international markets;

7. Acknowledges that if any shares remain unsubscribed, including, as the case may be, after the shareholders have been granted the right to subscribe, the Board of Directors may limit the issuance to the amount of the subscriptions received, provided that at least three-quarters of the issuance is subscribed for;
8. Acknowledges that this authorisation operates as a waiver, in favour of the holders of securities giving the right to acquire shares in the Company, of the preferential subscription rights of existing shareholders to subscribe for the shares issued pursuant to such securities;
9. Acknowledges that, in accordance with Article L. 225-136 1° of the French Commercial Code:
 - any consideration received by the Company, together with any consideration to be received subsequently in respect of each share issued pursuant to securities giving the right to acquire shares in the Company, shall be equal to at least the minimum amount fixed by applicable law in force at the time of issuance;
 - securities giving the right to acquire shares in the Company will be converted, redeemed or transformed into a number of shares such that taking into account the nominal value of such security or bond, the consideration received by the Company in respect of each share shall at least be equal to the minimum subscription price defined in the above paragraph;
10. Decides that the Board of Directors shall have full authority to implement this authorisation, in particular for the purposes of
 - deciding to increase the share capital and determining the securities to be issued;
 - deciding the amount of the share capital increase, determining the issue price and whether or not a premium will be payable;
 - determining the dates and the conditions on which the share capital may be increased as well as on the nature and the characteristics of any debt securities to be issued, deciding whether or not such securities shall be subordinated (and the priority in which they will rank, if any, pursuant to Article L. 228-97 of the French Commercial Code), fixing the interest rate (which may be fixed or variable, zero coupon or index-linked), determining any mandatory or optional cases in which the payment of interest may be halted or suspended, the term (fixed or indefinite), the possibility to reduce or increase the nominal value of the securities and any other conditions of issuance (including the granting of security or liens therefor) and conditions of repayment (including repayment by delivery of assets of the Company), deciding to amend any of the above conditions during the term of such securities, subject to compliance with applicable formalities;
 - determining the method of payment for shares or securities giving the right to acquire shares immediately or in the future;
 - fixing, where necessary, the terms and conditions of exercise of the rights attached to the shares or securities to be issued which give the right to acquire shares, the period, including retroactively, from which dividends will be payable on new shares, and determining the terms and conditions of exercise of the rights to conversion, exchange or redemption, including by delivery of assets of the Company such as securities already issued by the Company, as well as all other conditions on which the share capital may be increased;

- fixing the terms and conditions on which the Company may, if applicable, at any time or during predefined periods, purchase or exchange on the stock exchange securities issued or to be issued whether immediately or in the future, whether for cancellation or otherwise, as permitted by applicable law;
- suspending the exercise of rights attached to the securities issued, subject to applicable law and regulations;
- at its sole initiative, charging the costs arising from the share capital increase to the proceeds thereof and deducting from such proceeds any amount necessary to increase the legal reserve;
- proceeding with any adjustments required to take into account the consequences of transactions on the Company's share capital, in particular in the event of amendment of the nominal value of shares, of the increase in the share capital through incorporation of retained earnings, allocation of free shares, shares splits or consolidation of shares, distribution of retained earnings or of any other asset, repayment of share capital or any other transactions affecting shareholders' equity, and determining the terms and conditions on which the rights of holders of securities giving the right to acquire shares in the Company will be protected, if necessary;
- confirming the completion of each share capital increase and amending the Articles of Association accordingly;
- generally, entering into any and all agreements to ensure the successful completion of the contemplated issuances, taking all measures and accomplishing all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorisation and the exercising all rights attached thereto;

In its thirteenth resolution, the Shareholders' Meeting, voting in accordance with the rules on quorum and majority applicable to extraordinary shareholders' meetings, in accordance with Articles L. 225-135-1 of the French Commercial Code, adopted the following decision:

1. delegates to the Board of Directors the necessary powers to decide to increase the number of securities to be issued pursuant to a share capital increase whether or not subject to preferential subscription rights at the same price as fixed for the initial issuance, in accordance with the limits and time periods fixed by the regulations applicable at the date of issuance (which currently provide that such increase must occur within 30 days of the end of the subscription period for the initial issuance and must be limited to 15% of the initial issuance), in particular for the purposes of granting an over-allotment option in accordance with market practices;
2. decides that the nominal amount of any increase in share capital pursuant to this resolution will be deducted from (i) the maximum amount of €10 million fixed in paragraph 2(i) of the eleventh resolution of this meeting in the event of an issuance subject to preferential subscription rights, or the limit of €4 million fixed in paragraph 4 of the twelfth resolution of this meeting in the event of an issuance not subject to preferential subscription rights, and whether or not the issuance is subject to preferential subscription rights (ii) from the maximum global amount of €20.9 million fixed in paragraph 2(ii) of the eleventh resolution of this meeting.

The authorisation granted by the present resolution shall expire upon the holding of the shareholders' meeting convened to approve the accounts for the financial year ending December 31, 2006.

4.12.2 Decisions of the Board of Directors and of the Deputy Managing Director (*Directeur Général Délégué*)

By virtue of the delegation conferred by the combined general shareholders' meeting of May 15, 2006, the Board of Directors decided, in its meeting of June 26, 2006, to issue Bonds convertible into and/or exchangeable for new or existing shares in a total principal amount not exceeding €280,000,000, and determined certain terms or limitations to the terms of the issuance, and granted to the Chairman and, with his approval, the *Directeur Général Délégué*, all the necessary powers required to implement such issuance and, to set the terms and conditions of such issuance.

The *Directeur Général Délégué*, by a decision dated June 29, 2006, decided to use such delegation granted by the Board of Directors in order to issue the Bonds and determined the terms and conditions of the issuance as set forth in the *note d'opération*.

4.13 Expected Settlement Date

The Bonds will be issued on July 7, 2006.

4.14 Restrictions on the free negotiability of the Bonds

There is no restriction imposed by the conditions of the Bonds on their free negotiability.

4.15 Withholding Tax in respect of the Bonds

Neither the repayment of the principal of the Bonds, nor the payment of interest on the Bonds, is subject to withholding tax.

Should the French Republic establish a withholding tax on amounts payable on bonds in the future, the Company will not be required to pay additional amounts in respect of the Bonds in order to compensate for such withholding.

On June 3, 2003, the Council of the European Union adopted a new directive related to the imposition of taxes on fixed income from savings, modified on July 19, 2004 (the "Directive"), and enacted into French law by Article 242 *ter* of the French General Tax Code (*Code général des impôts*). As of July 1, 2005, the Directive required Member States to furnish the tax authorities of another Member State with detailed information on all interest payments within the meaning of the Directive (on interest, proceeds, premiums, or other revenue from credit instruments) made by a paying agent within its jurisdiction, to an individual residing in the other Member State (the "Information System").

To this end, the term "paying agent" (*agent payeur*) is defined broadly and includes in particular any economic party that is responsible for making interest payments within the meaning of the Directive, to individuals that are beneficial owners.

Nevertheless, during a transition period, certain Member States (Luxembourg, Belgium and Austria), in lieu of the Information System implemented by the other Member States, should apply a withholding tax on all interest payments. The rate of this tax is 15% during the first three years, 20% during the following three years, and then 35% until the end of this transition period. In conformity with the agreement by the Council of the European Union, as applied by the Directive, this transition period will last so long as and on the condition that the European Community concludes agreements on the exchange of information upon request with multiple State parties (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), and that the Council of the European Union unanimously agrees that the United States may also participate in the exchange of information upon request.

4.16 Conversion into and/or Exchange of Bonds for Shares

4.16.1 Nature of conversion and/or exchange rights

Bondholders shall have the right, at any time from July 7, 2006, the issue date of the Bonds, until the seventh business day preceding the redemption date, *i.e.* expected to be December 23, 2012, to receive, at the Company's option, new and/or existing shares of the Company (the "Conversion/Exchange Right") which will be delivered by way of set-off against amounts owed under the Bonds, on the terms and subject to the conditions described below, subject to the provisions of paragraph 4.16.8 ("Treatment of Fractional Entitlements"), below.

The Company may, at its option, deliver new and/or existing shares.

By a decision of the general shareholders' meeting held on May 15, 2006, the Company was authorized, pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, and for a period of up to 18 months from May 15, 2006, to purchase its own shares in an amount of up to 10% of its share capital. The Company has not yet filed a detailed program for the implementation of this repurchase authorization.

As of May 15, 2006, the Company did not hold any of its own shares. As a result, the maximum number of shares that could be acquired by the Company as of that date, under the authority of the above-mentioned May 15, 2006 general meeting, is equal to 2,519,890 shares.

4.16.2 Suspension of conversion/exchange rights

In the event of an increase in share capital, an issuance of new capital stock or securities conferring rights to receive shares of the Company, a merger (*fusion*) or spin-off (*scission*) or other financial transactions conferring preferential subscription rights or reserving a priority subscription period for the benefit of shareholders of the Company, the Company shall be entitled to suspend the Conversion/Exchange Right for a period not exceeding three months or such other period as may be set by applicable regulations. Any such suspension may not affect the Conversion/Exchange Right of holders of Bonds which are called for redemption or the exercise period outlined in paragraph 4.16.3 ("Exercise Period and Conversion/Exchange Ratio").

The Company's decision to suspend the Conversion/Exchange Right will be published in a notice in the *Bulletin des Annonces légales obligatoires*. This notice will be published at least 7 days before the date on which such suspension comes into effect and will mention both the date on which the suspension comes into effect and the date the suspension will end. This information will also be published in a financial newspaper with general distribution in France and in a notice to be issued by Euronext Paris S.A.

4.16.3 Exercise Period and Conversion/Exchange Ratio

The Bondholders may request the conversion and/or exchange of the Bonds for shares at any time from July 7, 2006, until the seventh business day preceding the redemption date, *i.e.* expected to be December 23, 2012, at a ratio of ONE Nexans share for ONE Bond (the "Conversion/Exchange Ratio"), subject to the provisions of paragraph 4.16.7 ("Maintenance of Bondholders' rights") below.

With respect to Bonds redeemed at or prior to maturity, the Conversion/Exchange Right shall expire at the end of the seventh business day prior to the date of redemption.

Any Bondholder who has not exercised its Conversion/Exchange Right prior to such date will receive an amount equal to the redemption price calculated in accordance with the provisions of paragraph 4.9.1 ("Redemption at maturity") or paragraph 4.9.3 ("Early redemption at the Company's option") above.

4.16.4 Terms of exercise of the Conversion/Exchange Right

To exercise any Conversion/Exchange Right, Bondholders must make a request to the intermediary through which their Bonds are held. Société Générale will coordinate all such requests.

Any request for the exercise of any Conversion/Exchange Right received by Société Générale in its capacity as paying agent during a calendar month (an “Exercise Period”) will take effect on the earlier of the following two dates (each an “Exercise Date”):

- the last business day of such calendar month; or
- the seventh business day preceding the date set for redemption.

To be deemed received on a business day, any written request must reach Société Générale by 5:00 pm on such day. All requests received after 5:00 pm will be deemed received on the following day.

With respect to Bonds having the same Exercise Date, the Company shall be entitled, at its option, to choose between:

- the conversion of Bonds into new shares;
- the exchange of Bonds for existing shares; or
- the delivery of a combination of new shares and existing shares.

All Bondholders having the same Exercise Date will be treated equally and will have their Bonds converted and/or exchanged, as applicable, in the same proportion, subject to rounding.

Bondholders will receive delivery of shares on the seventh business day following the Exercise Date.

4.16.5 Rights of Bondholders to interest on the Bonds and to dividends with respect to shares delivered

In the event of the exercise of any Conversion/Exchange Right, no interest will be payable to Bondholders in respect of the period from the Interest Payment Date preceding the Exercise Date to the date on which the shares are delivered.

The rights attached to new shares issued upon conversion of the Bonds are set out in paragraph 4.17.1(a) (“New shares issued upon conversion”) below.

The rights attached to existing shares delivered upon exchange of the Bonds are set out in paragraph 4.17.1(b) (“Existing shares delivered upon exchange”) below.

4.16.6 *(intentionally omitted)*

4.16.7 Maintenance of Bondholders’ rights

- (a) Consequences of the issuance and undertakings of the Company

In accordance with the provisions of Article L. 228-98 of the French Commercial Code, the Company may, without consulting any general meeting of Bondholders, redeem its share capital, change its profit distribution and issue preferred shares, provided that as long as any Bonds are outstanding, it will take the necessary measures to preserve the Bondholders’ rights.

- (b) In the event of a capital reduction resulting from losses

In the event of a reduction of the Company's share capital resulting from losses and realized through a decrease of the nominal value or of the number of shares comprising its share capital, the Bondholders' rights will be reduced accordingly, as if they had exercised their Conversion/Exchange Right before the date such share capital reduction occurred.

- (c) In the event of the following financial transactions by the Company:
1. financial transactions with listed preferential subscription rights;
 2. free distribution of shares to shareholders, subdivision or consolidation of shares;
 3. increase in the nominal value of shares;
 4. distribution of reserves, in cash or in kind, or premiums;
 5. free distribution to the Company's shareholders of any financial instrument other than the Company's shares;
 6. merger (*absorption* or *fusion*), spin-off (*scission*);
 7. repurchase by the Company of its own shares at a price higher than the market price;
 8. redemption of share capital;
 9. change in profit distribution through the creation of preferred shares;
 10. distribution of an extraordinary dividend;

which the Company may carry out after the issuance of the Bonds, the rights of Bondholders will be maintained up to the maturity date or early redemption date by means of an adjustment to the Conversion/Exchange Ratio, in accordance with the provisions set out below.

Such adjustment will be carried out so that, to the nearest cent, the value of the shares that would have been delivered if the Conversion/Exchange Right had been exercised immediately before the completion of any of the transactions mentioned above, is equal to the value of the shares to be delivered upon the exercise of the Conversion/Exchange Right immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new Conversion/Exchange Ratio will be calculated to two decimal places by rounding to the nearest one-hundredth (with 0.005 being rounded upwards, *i.e.*, 0.01). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded Conversion/Exchange Ratio. However, because the Conversion/Exchange Ratio may only result in the delivery of a whole number of shares, fractional entitlements will be settled as specified in paragraph 4.16.8 ("Treatment of fractional entitlements") below.

1. In the event of a financial transaction conferring listed preferential subscription rights, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

Price of the shares ex- rights +
Price of the preferential subscription rights

Price of the shares ex-rights

For the calculation of this ratio, the prices of the share ex-rights and of the preferential subscription rights will be determined on the basis of the weighted average of the opening prices quoted on the Eurolist market of Euronext Paris (or, in the absence of a listing by Euronext Paris, on any other regulated or similar market on which the shares and preferential subscription rights are both listed) on each stock exchange trading day comprised within the subscription period.

2. In the event of the distribution of free shares, or the subdivision or consolidation of shares, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

Number of shares included in share capital outstanding after the transaction

Number of shares included in share capital outstanding before the transaction

3. In case of an increase in the nominal value of the shares, the nominal value of the shares that may be delivered to Bondholders by exercising their Conversion/Exchange Right will be increased accordingly.

4. In the event of a distribution of reserves in cash or in kind, or in the event of a distribution of premiums, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

Share price before distribution

Share price before distribution – Amount distributed per share or the value of the securities or assets distributed with respect to each share

For the calculation of this ratio:

- the share price before the distribution will be calculated on the basis of the volume-weighted average share price on the Eurolist market of Euronext Paris during the three stock exchange trading days preceding the distribution date;
- the value of securities distributed will be calculated as above if the securities are quoted on a regulated or similar market. If such securities are not quoted on a regulated or similar market before the date of distribution, the value of such securities will be determined (i) on the basis of the volume-weighted average share price quoted on the regulated or similar market for the three stock exchange trading days following the date of distribution and during which the securities are quoted, if such securities are quoted during the 20 stock exchange trading days following their distribution, and (ii) in any other case (securities not quoted or other assets), as determined by an independent expert of international repute chosen by the Company.

5. In the event of a free distribution of financial instrument(s) other than shares of the Company, the new Conversion/Exchange Ratio will be determined as follows:

(a) if the right to free distribution of financial instrument(s) is listed on Euronext Paris, by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\begin{array}{l} \text{Price of the share without right to free distribution} \\ + \text{ Price of the free distribution right} \end{array}$$

$$\text{Price of the share without right to free distribution}$$

For the calculation of this ratio, the prices of the share without right to free distribution and of the right to free distribution will be determined on the basis of the volume-weighted average of the prices quoted on Euronext Paris of the share without right to free distribution and the right to free distribution on the first three stock exchange trading days following the date of distribution on which the share without right to free distribution and the right to free distribution are simultaneously listed.

(b) if the right to free distribution of financial instrument(s) is not listed on Euronext Paris, by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\begin{array}{l} \text{Price of the share without right to the distribution} \\ + \text{ Value of the financial instrument(s) allotted with respect to each share} \end{array}$$

$$\text{Price of the share without right to free distribution}$$

For the calculation of this ratio, the prices of the shares without right to free distribution and of financial instrument(s) attached to each share, if the latter are quoted on a regulated or similar market, will be determined on the basis of the volume-weighted average of the prices quoted on the first three stock exchange trading days following the date of distribution during which the shares without right to free distribution and the allotted financial instrument(s) are simultaneously listed. If the financial instrument(s) are not listed on a regulated or similar market, their value will be determined by an independent expert of international repute chosen by the Company.

6. In the event that the Company is merged into another company (*absorption*) or is merged with one or more companies forming a new company (*fusion*) or is spun-off (*scission*), the Bonds will be convertible and/or exchangeable into shares of the merged or new company or of the beneficiary companies of such spin-off.

The new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of shares in the Company to the shares of the acquiring or new company or the beneficiary companies of a spin-off. These companies will be substituted for the Company for the purpose of the above provisions aimed at preserving the rights of Bondholders, where applicable, in the case of financial transactions or transactions in securities, and, in general, to ensure that the applicable legal, regulatory and contractual rights of Bondholders are preserved.

7. In the event of a repurchase by the Company of its own shares at a price higher than the market price, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the repurchase by the following ratio (hereinafter “R”), calculated to the nearest one-hundredth of a share:

$$\frac{\text{Share price before the transaction} \times (1 - \text{Pc}\%)}{\text{Share price before the transaction} - (\text{Pc}\% \times \text{Repurchase price})}$$

Where:

- “Share price before the transaction” means the arithmetic mean of the volume-weighted average share price quoted for the Company’s shares during the three stock exchange trading days preceding the repurchase;
- “Pc%” means the percentage of capital repurchased; and
- “Repurchase price” means the actual price at which any shares are repurchased.

In the event of successive adjustments, the new Conversion/Exchange Ratio will be equal to the product of the immediately preceding Conversion/Exchange Ratio, rounded to the nearest one-hundredth of a share, multiplied by ratio R calculated to the nearest one-hundredth of a share.

8. In the event of a redemption of share capital, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$1 - \frac{1}{\frac{\text{Amount of redemption per share}}{\text{Share price before the redemption}}}$$

For the calculation of this ratio, the “Share price before the redemption” will be calculated on the basis of the volume-weighted average share price quoted on the Eurolist market of Euronext Paris during the three stock exchange trading days preceding the redemption.

9. In the event the Company changes its profit distribution through the creation of preferred shares, the new Conversion/Exchange Ratio will be determined by multiplying the Conversion/Exchange Ratio in effect prior to the relevant transaction by the following ratio:

$$1 - \frac{1}{\frac{\text{Absolute value of the reduced profit distribution per share}}{\text{Share price before the modification}}}$$

For the calculation of this ratio, (i) the share price before the change in the Company’s profit distribution will be determined on the basis of the volume-weighted average share price of the shares quoted on the Eurolist market of Euronext Paris during the last three stock exchange trading days

preceding the date of the modification and (ii) the value of the reduced profit distribution per share will be determined by an independent expert of international repute chosen by the Company.

10. In the event of payment by the Company of an Extraordinary Dividend (as defined below), the new Conversion/Exchange Ratio of shares will be calculated as indicated below.

For the purposes of this paragraph 10, the term “Extraordinary Dividend” refers to any dividend paid in cash or in kind to shareholders for which such dividend (before any withholding tax (*prélèvements libératoires*) and without taking into account any applicable tax deductions) (the “Reference Dividend”) and all other dividends in cash or in kind paid to shareholders during the same fiscal year of the Company (before any withholding tax and without taking into account any applicable tax deductions) (the “Prior Dividends”) represent a Ratio of Distributed Dividends (as defined below) greater than 3%.

For the purposes of the preceding sentence, “Ratio of Distributed Dividends” means the sum of the ratios obtained by dividing the Reference Dividend and each of the Prior Dividends, by the market capitalization of the Company on the last stock exchange trading day preceding the relevant distribution date; the market capitalization used to calculate each of these ratios is equal to the product of (x) the volume-weighted average price of an ordinary share of the Company on the Eurolist market of Euronext Paris during the last five stock exchange trading day preceding the date of the Reference Dividend (*i.e.* the last stock exchange trading day preceding the ex- date) or each of the Prior Dividends by (y) the number of respective shares of the Company outstanding at the closing of the relevant stock exchange trading day. Any dividend or any fraction of a dividend resulting in an adjustment of the Conversion/Exchange Ratio as described in paragraphs 1 through 9 above shall not be taken into account for the purposes of this paragraph.

The new Conversion/Exchange Ratio applicable in the event of payment of an Extraordinary Dividend shall be calculated according to the following formula:

$$\text{NRAA} = \text{RAA} \times (1 + \text{RDD} - 2.5\%)$$
 where:

- NRAA means the new Conversion/Exchange Ratio;
- RAA means the last Conversion/Exchange Ratio in effect prior to the distribution of the Reference Dividend; and
- RDD means the Ratio of Distributed Dividends, as defined below.

it being specified that all dividends (reduced as applicable by any fractional dividend requiring the calculation of a new Conversion/Exchange Ratio pursuant to paragraphs 1 to 9 above) paid between the payment date of the Reference Dividend and the end of the same fiscal year of the Company will give rise to a new adjustment according to the following formula:

$$\text{NRAA} = \text{RAA} \times (1 + \text{RDD})$$

Where:

- NRAA means the new Conversion/Exchange Ratio;
- RAA means the last Conversion/Exchange Ratio in effect before the distribution of the supplementary dividend; and

- RDD means the ratio obtained by dividing (i) the amount of the supplementary dividend (net of any fractional dividend requiring the adjustment of the Conversion/Exchange Ratio pursuant to paragraphs 1 to 9 above) before any withholding tax and without taking into account any related deductions by (ii) the Company's market capitalization equal to the product of (x) the volume-weighted average share price on the Eurolist market of Euronext Paris during the five stock exchange trading days preceding the date of distribution of the supplementary dividend and (y) the number of the Company's outstanding shares at the closing of the relevant trading day.

In the event that the Company carries out transactions in respect of which an adjustment under paragraphs 1 to 10 above would not have been carried out, and where subsequent French law or regulations would require an adjustment, the Company will carry out such adjustment in accordance with applicable laws and regulations, and with relevant market practice in effect in France.

(d) Public offers

Under current French law and regulations, any public tender or exchange offer by a third party in respect of the Company's shares would also be required to be made in respect of all securities giving access to the equity of or voting rights in the Company and therefore the Bonds described herein. Any such tender or exchange offer proposal would be subject to prior review by the AMF, which would determine whether it is admissible (*recevable*) based on the elements presented to it, including the valuation of the offer. In addition, a *note d'information* detailing the terms of the offer would also be required to be filed with the AMF for a *visa* before its publication.

(e) Transactions by the Company

The Company may not modify its corporate structure or purpose without consulting a general meeting of Bondholders. Should the Bondholders in a general meeting vote against the proposal, the Company may decide to redeem the Bonds in conformity with the dispositions of article L. 228-72 of the French Commercial Code at a price equal to the Early Redemption Price in accordance with paragraph 4.9.3 (1) above, plus interest accrued since the Interest Payment Date preceding the Early Redemption Date to the effective redemption date.

4.16.8 Treatment of fractional entitlements

Each Bondholder exercising its Conversion/Exchange Right under the Bonds will have the right to receive a number of Nexans shares calculated by multiplying the total number of Bonds presented by it on a given Exercise Date by the Conversion/Exchange Ratio in effect.

If the number of shares thus calculated is not a whole number, the Bondholder may request delivery of either:

- the next lower whole number of shares, in which case the Bondholder will receive a cash payment equal to the product of the remaining fractional share, multiplied by the value of a share, equal to the opening price on Euronext Paris on the last trading day preceding the delivery of the exercise notice for the Conversion/Exchange Right; or
- the next greater whole number of shares, provided that in such case the Bondholder pays to the Company an amount equal to the value of the additional fraction of the share thus requested, calculated on the basis set out in the preceding paragraph.

If the Bondholder does not state which choice it wishes to make, it shall receive a number of Nexans shares rounded down to the nearest whole number, and the remainder in cash as described above.

4.16.9 Notice to Bondholders in case of adjustment

In the case of an adjustment, the Company must notify the Bondholders by means of a notice published in the *Bulletin des annonces légales obligatoires* pursuant to Article 242-13 of the decree of March 23, 1967 and in a financial newspaper with national circulation in France in addition to a notice from Euronext Paris S.A.

Furthermore, the Company's Board of Directors will report the calculation and the results of any adjustment in the annual report of the Company following this adjustment.

4.16.10 (Intentionally omitted)

4.17 Shares Delivered upon Exercise of the Conversion/Exchange Right

4.17.1 Rights attached to the shares to be delivered

(a) New shares to be issued upon conversion

New shares issued upon conversion of Bonds shall be subject to all provisions of the Company's by-laws (*statuts*) and will carry dividend rights as from the first day of the financial year in which the Exercise Date falls. Such shares will give holders the right, in respect of such financial year and subsequent financial years, to the same dividend (on the basis of the same nominal value) as that paid in respect of other shares with equivalent dividend rights. As a result, they will be fully assimilated with such shares from the date of payment of the dividend relating to the preceding financial year, or if no dividend was paid, following the annual shareholders' meeting convened to approve the financial statements for that year.

(b) Existing shares delivered upon exchange

Existing shares delivered upon an exchange of Bonds shall be existing ordinary shares carrying dividend rights and conferring upon their holders, from their date of delivery, all the rights attached to shares, provided that in the event that rights to a dividend are detached from the shares between the exercise date and the delivery date, Bondholders shall not be entitled to such dividend nor to any compensation therefor.

(c) General provisions

Each new or existing share gives the right to an interest in the Company's assets, in the distribution of the Company's profits and in liquidation dividends in proportion to the portion of share capital represented by such share, taking into account, as the case may be, whether any share capital has been redeemed or not, whether or not the shares have been fully paid up, the nominal value of the shares and the rights of different classes of shares.

Such shares are also subject to the provisions of the by-laws.

Dividends, which have not been claimed five years after their payment, are forfeited and become the property of the French State.

4.17.2 Transferability of the shares

No provision in the by-laws limits the transferability of the ordinary shares comprising the Company's share capital.

4.17.3 Nature and form of the shares

The shares shall be either in registered or bearer form, at the option of the shareholder.

Shares held in either form are required to be inscribed in book-entry form in accounts (*inscrites en compte*) maintained by the Company or its agent and/or an authorized intermediary, as the case may be. The shares are required to be inscribed in book-entry form in accounts held, as the case may be by:

- Société Générale acting on behalf of the Company, in respect of fully registered shares (*nominatif pur*);
- an authorized financial intermediary selected by the shareholder, and by Société Générale acting on behalf of the Company, in respect of shares in administered registered form (*nominatif administré*); and
- an authorized financial intermediary selected by the shareholder in respect of shares in bearer form (*au porteur*).

4.17.4 (*Intentionally omitted*)

4.17.5 Listing of new Shares

Application will be made periodically to list the new shares issued as a result of conversion on the Eurolist market of Euronext Paris. Existing shares that have been delivered upon exchange will be immediately tradable.

(a) Listing of new Shares

Application will be made to list the new shares resulting from conversion for trading on Compartment B of the Eurolist market of Euronext Paris based on the date from which they carry full dividend rights either directly on the same line with the existing shares or, initially, on a second line until their assimilation with the existing shares (ISIN: FR00004448).

(b) Other markets and listing

The shares will be listed solely on the Eurolist market of Euronext Paris.

4.17.6 (*Intentionally omitted*)

Nexans