

## BOARD REPORT RELATING TO THE CONVERSION OF CONSTELLIUM N.V.

Date 3 May 2019

This board report is made pursuant to Section 37(4) of Council Regulation (EC) No. 2157/2001 on the Statute for a European company of 8 October 2001 (*Verordening (EG) Nr. 2157/2001 betreffende the statuut van de Europese vennootschap*) (the "**SE Regulation**") in connection with the proposed conversion of **Constellium N.V.**, a public limited liability company under Dutch law (*naamloze vennootschap*), having its seat in Amsterdam, the Netherlands, its office address at Tupolevlaan 41-61, 1119 NW Schiphol-Rijk, the Netherlands, and registered in the Dutch trade under number 34393663 (the "**Company**"), in a European public limited liability company (*societas Europaea*) (the "**Conversion**").

This report is drawn up by the entire board of the Company (the "**Board**").

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### 1. REASONS FOR THE CONVERSION

- 1.1. The Conversion is the first part of a two-step plan to move the Company from the Netherlands to France. It is envisaged that after the Conversion becoming effective the Company will migrate to France by way of transfer of its corporate seat/registered office and headquarters in accordance with the provisions of Section 8 of the SE Regulation (the "**Transfer of Corporate Seat**"). Together, we refer to the Conversion and the Transfer of Corporate Seat as the "**Transaction**".
- 1.2. The Board believes that implementing the Transaction is the best course of action for the Company at this time, for several important reasons:
  - eliminates cost of Dutch corporate structure, resulting in annual savings;
  - leverages corporate resources in France, such as finance, legal and tax departments; and
  - enhances tax profile of the Company by facilitating tax-efficiency of corporate expenses, streamlining and aligning the Company group's structure and substance and improving application of tax treaties.
- 1.3. There will be two proposals to our shareholders reflecting two steps. The first step to achieve the move to France is the Conversion. The second step is the Transfer of Corporate Seat from the Netherlands to France in accordance with the provisions of Section 8 of the SE Regulation. This Board report refers to the Conversion proposal of the Board. A separate proposal for the Transfer of Corporate Seat shall be adopted by the Board after the Conversion. Following the Transfer of Corporate Seat, the Company will be a French entity.

### 2. EXPLANATION FROM A LEGAL AND ECONOMIC POINT OF VIEW

#### Legal:

In connection with the Conversion, the Company's legal form will change from a public

limited liability company under Dutch law (*naamloze vennootschap*) into a European public limited liability company (*societas Europaea*) and the Company's articles of association will be amended to reflect such new legal form and to meet the requirements following from the SE Regulation and Dutch corporate law.

The Conversion will not result in winding up of the Company or the establishment of a new legal entity. The legal position of the creditors or other counterparties of the Company is not expected to change as a direct result of the Conversion. Upon the Conversion becoming effective, the Company will be subject to the rules that apply to SE companies and Dutch corporate law.

#### Economic:

It is not expected that the Conversion will have an economic impact on the Company or will lead a change of the Company's business or activities.

### **3. IMPLICATIONS FOR THE SHAREHOLDERS**

Apart from the fact that upon the Conversion becoming effective i) the Company will have a different legal form, ii) will be subject to the rules applicable to SE companies, and iii) will have amended its articles of association, the Conversion (in and of itself) is not expected to have any consequences for the Company's shareholders.

### **4. IMPLICATIONS FOR THE EMPLOYEES**

- 4.1. On April 11, 2018, the Company and the special negotiating body (the "SNB") established in connection with the Conversion, reached and approved an agreement on arrangements for the involvement of employees as referred to in Article 4 of the Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees.
- 4.2. Upon the Conversion becoming effective, the existing European Works Council of the Company and its committees will be disbanded and replaced by an Societas Europaea Comité d' Entreprise (the "SE-WC"). The Company has to provide information to and consult with the SE-WC regularly on an annual basis and also in case of exceptional circumstances, transnational scheme or decision likely to have a major impact on the workforce's interests in at least two of the following: member states of the European Union, the states of the European Economic Area or Switzerland. However, the SE-WC will not have the power to block or prevent any Constellium SE Board decisions or actions, including the decision to implement the Transfer of Corporate Seat. The terms to which we agreed to under the agreement with the SNB are substantially similar to the terms of our existing obligations to employees.
- 4.3. Under no circumstances will the Company be subject to employee participation as defined in Article 2(k) of the above-mentioned Council Directive as a direct result of the Conversion.
- 4.4. The employment conditions and pension arrangements, as well as seniority, of the employees of the Company (French branch) and subsidiaries of the Company will not be affected by the Conversion (in and of itself).
- 4.5. It is not expected that the Conversion (in and of itself) will have any adverse implications on the interests of the employees of the Company and its subsidiaries.

# Stibbe

## **The Board of Directors**

Jean-Marc Germain - Executive Director

Richard Evans - Non-Executive Director

Guy Maugis - Non-Executive Director

Werner Paschke - Non-Executive Director

Philippe Guillemot - Non-Executive Director

Michiel Brandjes - Non-Executive Director

Lori Ann Walker - Non-Executive Director

Peter Frans Hartman - Non-Executive Director

John Ormerod - Non-Executive Director

Martha Brooks - Non-Executive Director

Stéphanie Frachet - Non-Executive Director