

Appendix 1

Report of the Supervisory Board Chairman on the preparation and organization of the Board's activities and internal control procedures

→ 1.	LEGISLATIVE AND REGULATORY FRAMEWORK	336
1.1.	Legal framework	336
1.2.	The Afep-Medef Code of Corporate Governance, reference code for the AREVA Group	337
→ 2.	REVIEWS PERFORMED TO PREPARE THIS REPORT	337
→ 3.	PREPARATION AND ORGANIZATION OF THE SUPERVISORY BOARD'S ACTIVITIES	338
3.1.	Composition of the Supervisory Board	338
3.2.	Functioning of the Supervisory Board	342
3.3.	Activities of the Supervisory Board	343
3.4.	Activities of the four committees of the Supervisory Board	344
→ 4.	SYSTEM OF INTERNAL CONTROLS	347
4.1.	Introduction	347
4.2.	Organization, governance, resources, information systems and operating procedures	348
4.3.	Dissemination of information	352
4.4.	Managing risk and setting objectives	352
4.5.	Control activities	353
4.6.	Continuous oversight of the internal control system	353
→ 5.	BUSINESS ADDRESSES OF MEMBERS OF AREVA'S SUPERVISORY BOARD	355

→ 1. Legislative and regulatory framework

1.1. LEGAL FRAMEWORK

In accordance with article L. 225-68 of the French Commercial Code, "in publicly traded companies, the Chairman of the Supervisory Board shall submit a report on [...] the composition of the Board and of application of the principle of balanced representation of its men and women members, the preparation and organization of the activities of the Board, and internal control and risk management procedures established by the company, describing in particular those procedures relating to the preparation and treatment of accounting and financial information used to prepare

the corporate financial statements and, if applicable, the consolidated financial statements."

Article L. 225-68 of the French Commercial Code further provides as follows:

- "When a company defers voluntarily to a Code of Corporate Governance drawn up by recognized business federations, the [abovementioned] report shall also indicate which provisions were set aside and for what

reason. The report shall also specify the place where this Code may be reviewed.”

AREVA defers to the Afep-Medef Code of Corporate Governance under the conditions mentioned in paragraph 1.2 hereunder.

- “The [abovementioned] report shall also specify particular methods related to the participation of the shareholders in the Annual General Meeting or refer to the provisions of by-laws setting forth those methods.”

The by-laws of AREVA do not contain any particular provision such as double voting rights or statutory limits on the voting rights of shareholders. Shareholder rights at AREVA are therefore exercised according to common law, as noted in Chapter 21 of the Reference Document.

- “Moreover, the [abovementioned] report presents the principles and rules decided upon by the Supervisory Board to determine compensation and benefits of any kind granted to corporate officers.”

This information appears in Chapter 15 of the Reference Document.

- “The [abovementioned] report shall be approved by the Supervisory Board and made public.”

At the request of the Chairman of the Supervisory Board, this report was submitted to the Audit Committee for an opinion and to the Supervisory Board for approval on March 1, 2012, in accordance with the abovementioned provisions.

Concerning the organization and functioning of the Audit Committee set up by the Supervisory Board, the AREVA group already relies heavily on the principles and provisions of French governmental order no. 2008-1278 of December 8, 2008 transposing the European Community directive 2006/43/EC of May 17, 2006 concerning Statutory Auditors, which order shall be fully applicable in the particular case of AREVA beginning in fiscal year 2012, in accordance with the provisions of Article 21 of said order.

1.2. THE AFEP-MEDEF CODE OF CORPORATE GOVERNANCE, REFERENCE CODE FOR THE AREVA GROUP ⁽¹⁾

As mentioned above, AREVA defers to the “Code of Corporate Governance for Publicly Traded Companies” developed jointly by the AFEP and the MEDEF on April 2010, with certain adjustments.

The adjustments to the Afep-Medef Code of Corporate Governance are warranted by the distribution of the company's share capital. Given the very strong concentration of share ownership, the Supervisory Board has not yet performed a self-assessment. Likewise, the provision pertaining to members of the Supervisory Board holding “a relatively significant number of shares” is irrelevant in this case.

The five-year length of service of the members of the Supervisory Board and the Executive Board ensures greater stability of directors and officers,

as is fitting for long-cycle activities such as nuclear power. This term is consistent with the maximum term of six years under the law.

During the renewal of members of the Supervisory Board in April 2011, with Madams Boissard and Lemarchand newly appointed and Mrs. Saucier renewed as members of the Supervisory Board, AREVA anticipated the application of the provisions of the law of January 27, 2011 related to the balanced representation of men and women in the Boards of Directors and Supervisory Boards and to gender equality, which will impose a proportion of members of each sex in the boards equal to or greater than 20% as from January 1, 2014 and 40% as from January 1, 2017.

→ 2. Reviews performed to prepare this report

This report was prepared based on information forwarded to the Chairman of the Supervisory Board by the Executive Board and the functional departments it coordinates in connection with the annual review of internal control procedures and various meetings of the Supervisory Board and its committees.

The Chairman of the Supervisory Board took cognizance of the comments of the Internal Audit and the Joint Statutory Auditors on internal controls and asked Management to implement the corresponding action plans.

The work and reviews related to the preparation of this report were submitted to the Joint Statutory Auditors.

(1) The Code is available on the Medef website (www.medef.fr).

3. Preparation and organization of the Supervisory Board's activities

3.1. Composition of the Supervisory Board

→ 3. Preparation and organization of the Supervisory Board's activities

3.1. COMPOSITION OF THE SUPERVISORY BOARD

The members of the Supervisory Board are appointed by the shareholders, except for employee members who are elected by company personnel, and representatives of the French State, who are appointed by decree.

The Supervisory Board consists of at least ten and no more than eighteen members, including three members elected by company personnel in the conditions described below and, as appropriate, representatives of the French State appointed in application of Article 51 of French law no. 96-314 of April 12, 1996, which contains various provisions of an economic and financial nature. The three members representing company personnel were elected by an electoral college consisting of engineers and managers (one member) and by an electoral college consisting of the other employees (two members).

In application of Article 1 of the decree no. 2011-1883 of December 15, 2011, the following persons also attend meetings of the Supervisory Board in an advisory capacity: the General Director for Energy and Climate at the Ministry of Energy, serving as Government Commissioner, and the Head of the Control Mission at the Commissariat à l'énergie atomique et aux énergies alternatives (French atomic and alternative energies commission, CEA), as a member of the Economic and Financial Control Board for the company.

The Government Commissioner may also attend in the meetings of the committees attached to the Supervisory Board.

Subject to the laws and regulations pertaining to the Government's supervision or control of government corporations and their subsidiaries, the decisions of the Supervisory Board are final and enforceable if the Government Commissioner or the member of the Economic and Financial Control Board object do not object in the five days following a) the meeting of the Supervisory Board if he or she attended it, or b) the receipt of the minutes of the meeting.

The Statutory Auditors are invited to the meetings of the Supervisory Board called to examine annual or interim financial statements, and to any other session when their presence is deemed appropriate.

The duties of a member of the Supervisory Board not elected by company personnel expire at the end of the Annual General Meeting of Shareholders convened to approve the financial statements of the year ended and held during the year of expiration of said member's term. The General Meeting of Shareholders may dismiss members of the Supervisory Board, other than the representatives of the French State and the members elected by company personnel.

The duties of a member elected by company personnel expire either upon announcement of the results of elections, which AREVA is obliged to organize under the conditions provided in the by-laws, or upon the end of said member's employment contract or dismissal, under the conditions provided by laws or regulations in effect at the time of the dismissal.

Only natural persons may be elected by company personnel to serve as members of the Supervisory Board. Members of the Supervisory

Board not elected by company personnel may be natural persons or corporate entities.

The Supervisory Board elects a Chairman and a Vice Chairman from among its members who are charged with convening the Board and conducting the meetings, with the Vice Chairman fulfilling these functions in the event of the Chairman's absence or inability to do so. The Chairman and Vice Chairman are natural persons.

All participants in the meetings of the Supervisory Board are bound to confidentiality.

As of December 31, 2011, the Supervisory Board consists of 14 members, of whom 5 – Mr. Jean-Cyril Spinetta, Mrs. Sophie Boissard, Mr. François David, Mrs. Agnès Lemarchand and Mrs. Guylaine Saucier – are considered independent by the Supervisory Board. The Supervisory Board had 15 members until December 15, 2011. In application of article 1 of decree no. 2011-1883 of December 15, 2011, Mr. Pierre-Franck Chevet holds the position of Government Commissioner to AREVA. As a consequence of these new functions, Mr. Chevet is no longer a member of the Supervisory Board.

MEMBERS APPOINTED BY THE SHAREHOLDERS

Jean-Cyril Spinetta (age 68)

Initially appointed in 2009, Mr Jean-Cyril Spinetta's term as a member of the Supervisory Board was renewed by the Annual General Meeting of Shareholders on April 27, 2011; his term as Chairman of the Supervisory Board was renewed by the Supervisory Board on that same date. His term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Jean-Cyril Spinetta, Chief Executive Officer of Air France-KLM, holds an advanced degree in public law and is a graduate of Institut des sciences politiques de Paris. He is an alumnus of École nationale d'administration.

Other offices held

- Director of Alcatel Lucent;
- Director of Saint Gobain;
- Director of Alitalia CAI (Italy);
- Member of the Advisory Board of Paris Europlace;
- Member of the Board of Governors of the International Air Transport Association (IATA) (Canada).

Other offices held during the past five years

- Chairman and CEO of Société Air France, from October 17, 2011 to November 16, 2011;

3. Preparation and organization of the Supervisory Board's activities

3.1. Composition of the Supervisory Board

- Chairman of the Board of Directors of Société Air France until October 17, 2011;
- Chairman of the Board of Directors of Air France-KLM until October 17, 2011;
- Director (representing the French State) of GDF-Suez until April 2009;
- Director (representing the French State) of La Poste until April 2009;
- Chairman and CEO of Air France-KLM and of Société Air France until December 2008;
- Director of Unilever (United Kingdom) until July 2007;
- Director of Alitalia (Italy) until January 2007.

Bernard Bigot (age 61)

Initially appointed in 2009, Mr Bernard Bigot's term as a member of the Supervisory Board was renewed by the Annual General Meeting of Shareholders on April 27, 2001; the Supervisory Board renewed his term as Vice Chairman of the Supervisory Board on that same date. His term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Bernard Bigot is Administrator General and Chairman of the Board of Directors of the Commissariat à l'énergie atomique. He is a graduate of École normale supérieure of Saint-Cloud, holder of the agrégation in physical sciences and PhD in chemistry.

Other offices held

- Director representing the French State on behalf of the minister of Industry to the Board of Directors of AREVA NC;
- Chairman of the Fondation de la Maison de la chimie;
- Vice Chairman of the Fondation Jean Dausset – CEPH.

Other offices held during the past five years

- Chairman of the Board of Directors of the Institut national de la recherche pédagogique until December 2010.

Christophe Béhar (age 54)

Initially appointed in 2010, Mr Christophe Béhar's term as a member of the Supervisory Board was renewed by the Annual General Meeting of Shareholders on April 27, 2011. His term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Christophe Béhar is Director of Nuclear Energy at the Commissariat à l'énergie atomique. He is an engineer and graduate of École centrale of Paris.

Other offices held

- Permanent representative of the Commissariat à l'énergie atomique to the Boards of Grand équipement national de calcul intensif (GENCI) and of AREVA TA;
- Representative of France to the Joint Research Centre (European Commission).

Commissariat à l'énergie atomique et aux énergies alternatives (CEA), represented by Christophe Gégout

Initially appointed in 2001, the CEA's term as a member of the Supervisory Board was renewed by the Annual General Meeting of Shareholders on April 27, 2011. His term will expire at the Annual General Meeting of

Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

The Commissariat à l'énergie atomique is represented by Mr Christophe Gégout (age 35), who is a graduate of Institut d'Études Politiques de Paris and an alumnus of École polytechnique and of the Paris Graduate School of Economics, Statistics and Finance (ENSAE). He is Chief Financial Officer and head of the Management Control and Information Systems Division of the Commissariat à l'énergie atomique.

Other offices held by the CEA

- Director of CEA Investissement, of AREVA TA, of La Route des Lasers and of Minatec Entreprise.

Other offices held during the past five years

None.

Other offices held by Mr Gégout

- Chairman and Director of CEA Investissement;
- Director of Co-Courtage Nucléaire (CCN);
- Permanent representative of the CEA to the Board of Directors of FT1CI and GIP DFT Minatec.

Other offices held during the past five years

- Member of the Supervisory Board of Emertec Gestion and of Avenium Consulting until February 2010;
- Permanent representative of the CEA to the Board of Directors of GIP SOURCES HA until April 2011;
- Director of Co-Courtage Nucléaire until June 2011.

François David (age 70)

Mr François David was appointed to the Supervisory Board by the Annual General Meeting of Shareholders on April 17, 2008. His term will expire at the end of the Annual General Meeting of Shareholders convened in 2013 to approve the financial statements for the year ended December 31, 2012.

Mr François David is a graduate of Institut d'études politiques of Paris and École nationale d'administration. His duties as Chairman of Coface were renewed in 2007.

Other offices held

- Member of the Supervisory Board of Lagardère SCA;
- Director of Vinci and of Rexel;
- Member of the Board of the Order of the Legion of Honor.

Other offices held during the past five years

- Director of EADS until April 2007.

Agnès Lemarchand (age 57)

Mrs. Agnès Lemarchand was appointed to the Supervisory Board by the Annual General Meeting of Shareholders on April 27, 2011. Her term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Agnès Lemarchand is a graduate of the École nationale supérieure de chimie de Paris, of the Massachusetts Institute of Technology, and of

3. Preparation and organization of the Supervisory Board's activities
3.1. Composition of the Supervisory Board

INSEAD. After having directed Industrie biologique française and Lafarge Chaux (a division of the Lafarge group), she held the position of Executive Chairman of Steetley Dolomite Ltd (UK), a former subsidiary of Lafarge in the United Kingdom that was taken over by management.

Other offices held

- Member of the Supervisory Board of Mersen;
- Member of the Supervisory Board of Siclae, representing the Fonds Stratégique d'investissement (FSI);
- Member of the Economic, Social and Environmental Board, Economic Activities Section;
- Member of ADREG (entrepreneurship research and promotion).

Other offices held during the past five years

None.

Sophie Boissard (age 41)

Mrs. Sophie Boissard was appointed to the Supervisory Board by the Annual General Meeting of Shareholders on April 27, 2011. Her term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Mrs. Boissard is the Chief Executive Officer of Gares & Connexions (SNCF).

An alumnus of École Normale Supérieure and of École Nationale d'Administration, Mrs. Boissard is also a member of the Council of State of France.

Other offices held

- Director of GIAT Industries;
- Director of AREP;
- Chairman and Chief Executive Officer of A2C.

Other offices held during the past five years

None.

Guyline Saucier (age 65)

Initially appointed in 2006, Mrs. Guyline Saucier's term as a member of the Supervisory Board was renewed by the Annual General Meeting of Shareholders on April 27, 2011. Her term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Guyline Saucier is a chartered accountant and a graduate of HEC Montreal.

Other offices held

- Director of the Danone group, of the Bank of Montreal and of Wendel;
- Director of AREVA Canada Inc.;
- Director of SCOR SE.

Other offices held during the past five years

- Director of Axa Canada until 2011;

- Director of Petro-Canada until 2009;
- Director of CHC Helicopter Corp until 2008;
- Director of Altran Technologies until February 2007.

MEMBERS REPRESENTING THE FRENCH STATE, APPOINTED BY MINISTERIAL ORDER
Jean-Dominique Comolli (age 63)

Initially appointed in 2010, Mr Jean-Dominique Comolli's term as a member of the Supervisory Board of AREVA representing the French State was renewed by ministerial order on April 27, 2011 (*Journal Officiel* of May 8, 2011). His term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Jean-Dominique Comolli, Commissioner with the Agence des Participations de l'État, is a graduate of École nationale d'administration.

Other offices held

- Member of the Boards of Directors, representing the French State, of Air France-KLM, EDF, France Télécom, the Fonds stratégique d'investissement and SNCF.

Other offices held during the past five years

- Chairman of the Board of Directors of Altadis until August 2010;
- Chairman of the Supervisory Board of Altadis Maroc until September 2010;
- Director of Calyon (now Crédit Agricole Corporate & Investment Bank) until August 2010;
- Director of Casino until September 2010;
- Vice Chairman of Imperial Tobacco until September 2010;
- Director of Pernod Ricard until September 2010;
- Chairman of the Board of Directors of Seita until September 2010;
- Director of Logista until October 2008;
- Director of Aldeasa until April 2008.

Pierre-Franck Chevet (age 50)

Initially appointed in 2007, Mr Pierre-Franck Chevet's term as a member of AREVA's Supervisory Board representing the French State was renewed for a period of five by ministerial order on April 27, 2011 (*Journal Officiel* of May 8, 2011). Since December 15, 2011 and in application of Article 1 of the decree no. 2011-1883 of that same day, Mr Pierre-Franck Chevet serves as Government Commissioner to the company instead of his term as member of the Supervisory Board.

Pierre-Franck Chevet is a graduate of École polytechnique and of the Paris Graduate School of Economics, Statistics and Finance (ENSAE), and holds the rank of *Ingénieur général* in the Corps des Mines. He is Director General of Energy and Climate reporting to the Ministry of the Environment, Sustainable Development, Transportation and Housing, and the Ministry of the Economy, Finance and Industry.

3. Preparation and organization of the Supervisory Board's activities

3.1. Composition of the Supervisory Board

Other offices held

- Director representing the French State to the Boards of Directors of GDF-Suez, La Poste and the Institut Français du Pétrole;
- Government Commissioner to the Commission de régulation de l'énergie (French energy regulation commission);
- Government Commissioner to Andra;
- Director of the French Environment and Energy Management Agency (ADEME);
- Member of the Steering Committee of the International Energy Agency (IEA) and of the Comité de l'énergie atomique (French atomic energy board).

Other offices held during the past five years

None.

Luc Rousseau (age 54)

Initially appointed in 2005, Mr Luc Rousseau's term as a member of the AREVA Supervisory Board representing the French State was renewed by ministerial order on April 27, 2011 (*Journal Officiel* of May 8, 2011). His term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Luc Rousseau is a graduate of École polytechnique and holds the rank of *Ingénieur* in the Corps des Mines.

Mr Rousseau is Director General of Competitiveness, Industry and Services at the Ministry of the Economy, Finance and Industry.

Other offices held

- Member of the Comité de l'énergie atomique (French atomic energy board);
- Government Commissioner to La Poste and FT1CI;
- Representative of the French State to the Boards of Directors of the Palais de la Découverte and of the Cité des Sciences et de l'Industrie;
- Representative of the French State to the Board of Directors of AFII;
- Member of the Board of Directors of ANR;
- Member of the Board of Directors of the Fonds stratégique d'investissement;
- Member of the Board of Directors of Renault.

Other offices held during the past five years

- Member of the Board of Directors of OSEO EPIC until January 2011;
- Government Commissioner to Oseo Innovation until April 2009;
- Government Commissioner to the Supervisory Board of the Agence de l'innovation industrielle (All) until December 2007.

Pierre Sellal (age 59)

Initially appointed in 2009, the term of Mr Pierre Sellal, Ambassador of France, as a member of AREVA's Supervisory Board representing the French State was renewed by ministerial order on April 27, 2011 (*Journal Officiel* of May 8, 2011). His term will expire at the Annual General Meeting of Shareholders convened in 2016 to approve the financial statements for the year ended December 31, 2015.

Pierre Sellal is a graduate in law and an alumnus of the École nationale d'administration. He is a former ambassador, former permanent representative of France to the European Union in Brussels, former Chief of Staff of Mr Hubert Védrine and currently Secretary General of the French Ministry of Foreign Affairs and European Affairs.

Other offices held

- Director of EDF, of École nationale d'administration, of Audiovisuel Extérieur de la France (Audiovisual Outside France), of Cultures France, of the Agence nationale des titres sécurisés (French national agency of secure shares), of the Commission de Récolement des dépôts d'œuvres d'art (commission of verification of registered works of art), and of the Établissement de préparation et de réponse aux urgences sanitaires (institution of planning and response to health emergencies);
- Member of the Comité de l'énergie atomique (French atomic energy board);
- Member of the Board of the l'Institut du monde arabe (Arab World Institute).

Other offices held during the past five years

- None.

MEMBERS ELECTED BY AND REPRESENTING THE EMPLOYEES

Jean-Claude Bertrand (age 60)

Elected by the electoral college consisting of company personnel on May 28, 2002 in elections validated by the Work Council on July 12, 2002, he took office at the Supervisory Board meeting of July 25, 2002. His term was renewed following elections held on May 24, 2007 and will expire following elections to be held in 2012.

Mr Bertrand is a program officer with the management team of the Tricastin site.

Other offices held

- None.

Other offices held during the past five years

- Director of Alexis junior high school in Montélimar until September 2010.

Gérard Melet (age 54)

Elected by the electoral college consisting of company personnel on May 28, 2002 in elections validated by the Work Council on July 12, 2002, he took office at the Supervisory Board meeting of July 25, 2002. His term was renewed following elections held on May 24, 2007 and will expire following elections to be held in 2012.

Mr Melet is in charge of business development with the local economic development management team of AREVA NC.

Other offices held

None.

Other offices held during the past five years

None.

3. Preparation and organization of the Supervisory Board's activities
3.2. Functioning of the Supervisory Board
Alain Vivier-Merle (age 63)

Elected by the electoral college consisting of engineers and managers on June 20, 2002 in elections validated by the Work Council on July 12, 2002, he took office at the Supervisory Board Meeting of July 25, 2002. His term was renewed following elections held on June 19, 2007 and will expire following elections to be held in 2012.

Mr Vivier-Merle is a marketing program officer for AREVA NP in Lyon.

Other offices held

- Chairman of the Supervisory Board of the Framépargne balanced fund;
- Member of the Supervisory Board of the AREVA diversified balanced fund;
- Member of the Supervisory Board of the AREVA socially responsible balanced fund.

Other offices held during the past five years

None.

In 2011, Mr Marcel Otterbein, representing AREVA's Work Council, attended the meetings of the Supervisory Board in an advisory capacity.

Economic and Financial Controller General

Mr Bruno Rossi was appointed manager of the Atomic Energy control mission of the general economic and financial control department by the June 24, 2008 decision of the Ministry of the Economy, Industry and Employment. Mr Rossi is represented by **Mr Toni Cavatorta**, who reports to him on his control of AREVA SA and attends meetings of the Supervisory Board and of its specialized committees.

Government Commissioner

Effective December 15, 2011, and in application of Article 1 of the decree no. 2011-1883 of December 15, 2011, the Director General for Energy and Climate serves as Government Commissioner for the company. In this capacity, **Mr Pierre-Franck Chevet** attends the meetings of the Supervisory Board and may also attend the meetings of the committees attached to the Supervisory Board.

Censors

AREVA's by-laws provide that the Supervisory Board may appoint one or several censors, whose mission is to assist the Supervisory Board in its control functions, and who attend the meetings of the Supervisory Board without the right to vote.

No censor had been designated to date.

Secretary of the Board

Mr Pierre Charreton, General Counsel and Chief Administrative Officer of the AREVA group, serves as Secretary of the Supervisory Board.

Mrs. Claire Terrazas, Legal Director Corporate Governance & Finance, serves as Deputy Secretary of the Supervisory Board.

The members of the Supervisory Board may be contacted at the company's corporate office at 33, rue La Fayette, 75009 Paris, France.

3.2. FUNCTIONING OF THE SUPERVISORY BOARD

The Supervisory Board, whose functioning is specified in rules of procedure⁽¹⁾, exercises ongoing control of the Executive Board's management of AREVA. The Executive Board regularly informs the Supervisory Board of the business and operations of AREVA and of the Group through quarterly reports. The Supervisory Board performs such verifications and procedures as it deems necessary.

The Supervisory Board appoints the Chairman and members of the Executive Board. The Supervisory Board may recommend the dismissal of Executive Board members to the Shareholders. The Supervisory Board may convene meetings of the Shareholders.

The Supervisory Board meets at least once quarterly at the corporate office or any other place indicated in the notice of meeting issued by the Chairman, or by the Vice Chairman in the absence of the former, to review the Executive Board's report.

For decisions of the Supervisory Board to be valid, at least half of the members must be present. Decisions are made on a majority vote of the members present or represented. In the event of a tie vote, the Chairman of the meeting casts the deciding vote.

The Supervisory Board submits its observations on the Executive Board's report and on the financial statements to the Annual General Meeting of Shareholders.

The Supervisory Board is not limited to a supervisory function; it also authorizes the Executive Board to conclude transactions that the latter cannot accomplish without such authorization. It reviews the overall strategy of AREVA and the Group; annual budgets and multiyear plans for AREVA, its direct subsidiaries and the Group are submitted for its approval, as are any transactions at the subsidiary level when their purpose is covered by Article 22-2 of the above-mentioned by-laws.

(1) The rules of procedure of the Supervisory Board may be reviewed at the company's corporate office at 33, rue La Fayette, 75009 Paris, France.

3. Preparation and organization of the Supervisory Board's activities

3.3. Activities of the Supervisory Board

PARTICULAR LIMITATIONS ON THE POWERS OF THE EXECUTIVE BOARD

Pursuant to Article 22-2 of the by-laws, the following Executive Board decisions are subject to the prior authorization of the Supervisory Board insofar as they involve an amount exceeding 80 million euros:

- (i) the issuance of securities, regardless of type, that may have an impact on share capital;
- (ii) significant decisions on opening establishments in France and abroad, either directly (through the creation of an establishment or a direct or indirect subsidiary), or by acquiring an equity interest; similar approval is required for decisions to close such establishments;
- (iii) significant operations that may affect the Group's strategy and modify its financial structure or scope of business;
- (iv) acquisitions, increases or sales of equity interests in any company, existing or to be established;
- (v) exchanges of goods, securities or certificates, with or without cash payment, excluding cash management operations;
- (vi) acquisitions of real estate;
- (vii) settlements, agreements or transactions relating to disputes;
- (viii) decisions pertaining to loans, borrowings, credit and advances; and
- (ix) acquisitions and disposals of any receivables by any means.

In addition, proposals by the Executive Board for allocations of earnings for the company year are subject to the prior approval of the Supervisory Board.

Lastly, it shall be proposed to the Annual General Meetings of Shareholders of May 10, 2012 that the Company by-laws be modified so that investment decisions related to the creation of a site or the increase in capacity of an existing site, to acquisitions, and to acquisitions of equity interests in an amount exceeding 20 million euros be subject to the prior authorization of the Supervisory Board. The Strategy Committee shall be charged with examining the projects considered.

The Supervisory Board regularly updates its rules of procedure, which stipulate in particular:

- the establishment and functioning of the four committees described below;
- rules for preparing Supervisory Board deliberations;
- conditions for establishing the schedule of Supervisory Board meetings; and
- resources at the disposal of Supervisory Board members elected by the company personnel.

3.3. ACTIVITIES OF THE SUPERVISORY BOARD

In 2011, the Supervisory Board met twelve times (attendance rate: 87%). During these meetings, the Supervisory Board expressed its opinion on the matters described below:

• **March 3, 2011:** The Executive Board submitted its report on the Group's fourth quarter 2010 operations and highlights of the early part of 2011. The conclusions of the Nuclear Policy Council meeting of February 21, 2011 were noted: reaffirmation of the EPR™ reactor as the standard, designation of EDF as the leader when architect-assembler skills are required, construction of an ATMEA reactor in France taken into consideration and continuation of its certification with the participation of EDF and GDF-Suez, request to finalize the strategic cooperation between AREVA and EDF, and request to form a subsidiary of the Mining business and to conclude long-term uranium supply contracts with EDF. At the conclusion of the Executive Board's presentation of the 2010 financial results and the corporate and consolidated financial statements, the Supervisory Board approved the proposal to allocate all income to shareholders' equity. After having heard the findings of the Audit Committee, the Supervisory Board approved the 2011 budget. In addition, the Supervisory Board examined the Executive Board's management report and, on the advice of its Audit Committee, approved the report of the Chairman of the Supervisory Board on the Board's activities and internal control procedures. The Supervisory Board also heard the Compensation and Nominating Committee's presentation of its work and decided to recommend to the upcoming Annual General Meeting

of Shareholders that the total amount of directors' fees allocated to the Supervisory Board in 2011 be maintained at 500 thousand euros. Lastly, in connection with the listing of the AREVA share and the public exchange offer transaction between the CEA and the investment certificate holders, the Supervisory Board appointed an independent expert in accordance with the provisions of Article 261-1, I of the AMF's General Regulations.

- **March 15, 2011:** The Supervisory Board met in a special meeting to review the situation following the earthquake and tsunami in Japan.
- **March 28, 2011:** Being familiarized with the report of the independent expert, the Supervisory Board approved the proposed offer initiated by the CEA aimed at proposing to AREVA investment certificate holders that they exchange their certificates for common shares held by the CEA. The Supervisory Board examined the additional documentation in preparation for the Annual General Meeting of Shareholders of April 27, 2011. The Supervisory Board then authorized the signature of a related-party agreement by the CEA, EDF and AREVA whose principal purpose is to define organizational procedures for the Group constituted by the parties to carry out a program of audits of assessment tools for the parties' end-of-lifecycle obligations, at the initiative of the General Director of Energy and the Climate.
- **April 15, 2011:** In view of the upcoming expiration of the terms of some members of the Supervisory Board, the Board was favorable to proposing to the shareholders the candidacies of Madams Boissard

3. Preparation and organization of the Supervisory Board's activities
3.4. Activities of the four committees of the Supervisory Board

and Lemarchand and the renewal of the terms of Mrs. Saucier and Mr Spinetta.

- **April 27, 2011:** Following the recomposition of the Supervisory Board by the General Meeting of Shareholders of April 27, 2011, the Supervisory Board proceeded to nominate the Chairman and Vice Chairman of the Supervisory Board in the persons of Messrs. Spinetta and Bigot respectively, and the Chairmen and members of the Supervisory Board's four Committees. Lastly, the Executive Board submitted its report on the Group's first quarter 2011 operations.
- **May 26, 2011:** The Supervisory Board received information on the dispute with Siemens and more particularly on the judgment in AREVA's favor rendered on May 11, 2011. The Supervisory Board was informed of the impact of Fukushima on the commercial and financial outlook for 2011-2012 and examined the competitive advantage of the EPR™ reactor in the post-Fukushima context. The Supervisory Board was informed of the procedure for forming a subsidiary of the mining business. It approved the renewal and increase of the amount of the Euro Medium Term Note program (EMTN) and authorized the issue of bonds in connection with that program. Lastly, the Supervisory Board heard the meeting report of the work of the Audit Committee, in particular on the provision related to the OL3 project. On the advice of the End-of-Lifecycle Obligations Monitoring Committee, the Board also approved Appendix 1 of the annual update memorandum entitled "Report on Internal Controls", pursuant to Article 7 of the decree of February 23, 2007 related to the securement of funding for nuclear expenses.
- **June 21, 2011:** On the advice of the Compensation and Nominating Committee, the Supervisory Board appointed Messrs. Luc Oursel and Philippe Knoche to the Executive Board, in application of articles 16 and 17 of the by-laws, as from the first Supervisory Board meeting after June 29, 2011, at which time the terms of the sitting Executive Board will expire. In this regard, the Supervisory Board decided to make Mr Oursel President and Chief Executive Officer.
- **June 30, 2011:** The Supervisory Board took cognizance of the end of the terms of Executive Board members Mrs. Anne Lauvergeon, Gérald Arbola and Didier Benedetti in accordance with Article 17 of the by-laws and, on the advice of the Compensation and Nominating Committee, appointed Messrs. Sébastien de Montessus and Olivier Wantz to the Executive Board for the term stipulated in Article 17 of the by-laws. The Supervisory Board approved the respective roles of the members of the Executive Board. Lastly, on the recommendation of the Compensation and Nominating Committee, the Supervisory Board set the annual fixed and variable compensation of Messrs. Oursel and Knoche.
- **July 27, 2011:** The Supervisory Board was given a presentation of the consolidated half-year financial statements on June 30, 2011 and heard the meeting report of the Audit Committee and the observations

of the Joint Statutory Auditors. The Supervisory Board was informed of the progress of the spin-off of the mining business. On the recommendation of the Compensation and Nominating Committee, the Supervisory Board appointed Mr Pierre Aubouin to the Executive Board and named him Chief Financial Officer. The Supervisory Board also set the variable component of compensation of the members of the Executive Board for company year 2010 and the first half of 2011, severance payments for members of the Executive Board whose term was not renewed upon expiration, and compensation of the newly appointed members of the Executive Board. Lastly, the Executive Board submitted its report to the Supervisory Board on the Group's operations and highlights of the second quarter of 2011.

- **October 21, 2011:** The Executive Board informed the Supervisory Board of the Group's operations for the third quarter and the services proposed by the Group to its customers in the aftermath of the events in Japan. The Supervisory Board heard a progress report on the OL3 dispute. It was also given a presentation on the work of the Audit Committee, in particular on the risk map, the review of major projects, and the Group's ethical standards. The Supervisory Board heard a meeting report of the preliminary review of the Strategic Action Plan by the Strategy Committee. In application of article L. 225-90-1 of the French Commercial Code, on the recommendation of the Compensation and Nominating Committee, the Supervisory Board determined the conditions for the severance payments that might be made to the members of the Executive Board due to their cessation or change of duties. The Chairman of the End-of-Lifecycle Obligations Monitoring Committee reviewed the Group's end-of-lifecycle liabilities for the Supervisory Board. Lastly, the General Inspectorate's 2010 report on the status of safety in the nuclear facilities was presented to the Supervisory Board.
- **December 12, 2011:** On the recommendation of the Strategy Committee, the Supervisory Board approved the Group's "Action 2016" Strategic Action Plan. On the recommendation of the Audit Committee, the Supervisory Board approved the 2012 budget. On the proposal of the Audit Committee, the Supervisory Board determined the constitution of a temporary committee composed of three independent members of the Supervisory Board to examine the conditions of the acquisition and operation of UraMin and to draw conclusions therefrom for the Group. The Supervisory Board provided clarifications on the system of severance payments to members of the Executive Board.
- **December 27, 2011:** The Supervisory Board met in a special session to receive information on the methods contemplated for AREVA's sale of its shareholding in Eramet to the Fonds stratégique d'investissement and authorize the acquisition of Danone and Air Liquide shares from that same Fonds stratégique d'investissement.

3.4. ACTIVITIES OF THE FOUR COMMITTEES OF THE SUPERVISORY BOARD

In application of Article 22 of the by-laws and chapter I of the Rules of Procedure of AREVA's Supervisory Board, the Board formed four committees whose role is to provide it with additional information, recommendations and advice to facilitate decision-making on matters

subject to its control. In this respect, each meeting of the Supervisory Board may be preceded by in-depth work by the specialized committees, whose report is systematically distributed to the members of the Board.

3. Preparation and organization of the Supervisory Board's activities

3.4. Activities of the four committees of the Supervisory Board

The four committees are the Strategy Committee, the Audit Committee, the Compensation and Nominating Committee, and the End-of-Lifecycle Obligations Monitoring Committee. Each committee met throughout 2011 to delve deeper into the matters reviewed hereunder.

Moreover, it is planned to create an Ethics Committee charged with watching over the proper application of rules of ethics; an amendment to the by-laws in this direction will be proposed to the Annual General Meeting of Shareholders of May 10, 2012.

3.4.1. STRATEGY COMMITTEE

As of December 31, 2011, the Strategy Committee was composed of seven members, chosen from among the members of the Supervisory Board. Jean-Cyril Spinetta⁽¹⁾, its Chairman, Bernard Bigot, Jean-Dominique Comolli, Agnès Lemarchand⁽¹⁾, Luc Rousseau, Pierre Sellal and Alain Vivier-Merle. Pierre Charreton serves as secretary to this Committee.

The Committee meets at least once per six-month period and as often as necessary to fulfill its duties. It is convened by its Chairman or at least two of its members.

The mission of the Strategy Committee, which does not have inherent powers, is to enlighten the Supervisory Board about the strategic objectives of AREVA and of its main subsidiaries and to assess the risks and merits of the most important strategic decisions proposed by the Executive Board to the Supervisory Board. It ensures application of AREVA's strategic plan and its implementation at the subsidiary level.

In 2011, the Supervisory Board met twice, with an attendance rate of 100%.

- **October 20, 2011:** The Committee met for a preliminary review of the Strategic Action Plan. It also reviewed the forming of a subsidiary of the mining business.
- **December 8, 2011:** The Committee reviewed the report of the Strategy Committee's work of December 20, 2011, examined the 2012-2016 Strategic Action Plan and approved all of the lines of action presented by the Executive Board.

3.4.2. AUDIT COMMITTEE

As of December 31, 2011, the Audit Committee is composed of six members, chosen from among the members of the Supervisory Board: Guylaine Saucier⁽¹⁾, its Chairman, Jean-Claude Bertrand, Sophie Boissard⁽¹⁾, Jean-Dominique Comolli, François David⁽¹⁾, and Christophe Gégout. Jean-Pierre Kaminski serves as secretary to the Committee.

The Committee meets at least once quarterly and as often as necessary to fulfill its duties. It is convened by its Chairman or at least two of its members.

The role of the Committee, which has no formal authority, is to assist the Supervisory Board in exercising its authority and attributions in the following fields: the integrity of the financial data published by the company, internal controls, the execution of the internal audit function,

the independence and performance of the Statutory Auditors, risk management, financial planning, monitoring of major projects, and business ethics standards.

The Supervisory Board may also expand the scope of work of the Audit Committee by entrusting other fields to it as necessary. To discharge its duties, the Audit Committee may study specific points on its own initiative as it deems relevant to its mission. In particular, the Audit Committee examines the draft financial statements, draft budgets, internal and external audit plans, risk maps, internal control plans, the Values Charter and other relevant reports. It interviews the members of the Executive Board and the company manager designated by it, as well as the Statutory Auditors, the head of internal audit, and the business ethics advisor. The Committee makes recommendations to the Supervisory Board based on its findings and may suggest modifications or additional investigations as it deems necessary.

Upon the expiration of the terms of the Statutory Auditors, the Audit Committee considers competitive offers and makes recommendations to the Supervisory Board to renew the terms of the current auditors or to appoint a new firm.

The Audit Committee establishes an annual schedule of work in fulfillment of its duties.

The Audit Committee met 10 times in 2011, with an attendance rate of 82%.

- **January 26, 2011:** The Committee reviewed the draft press release related to the Group's revenue for 2010.
- **February 16, 2011:** The Committee examined the status of the OL3 project, both in terms of the general progress of technical operations at the site and in financial terms. The Committee was then informed about the conditions of civil liability for nuclear damage in India and the status of the Group's mineral resources. The Committee examined the financial statements for the year ended December 31, 2010 and heard the observations and conclusions of the Statutory Auditors. It reviewed the 2011 budget and the 2012 outlook. The Committee also reviewed the Supervisory Board Chairman's report on internal controls.
- **March 3, 2011:** The Committee reviewed the draft press release related to the annual results for 2010.
- **April 29, 2011:** After reviewing the draft press release on financial information for the first quarter of 2011, the Committee meeting was devoted to examining progress on the OL3 project, the quarterly report on the Group's major projects, and the profitability of AREVA's integrated model. The Committee also heard presentations on the risk map and cash forecasts, and on the reports of the Statutory Auditors and the Internal Audit Department on the Group's internal controls. The Committee undertook a review of the Statutory Auditors' fees.
- **July 18, 2011:** The Committee reviewed the OL3 project in detail, going over in particular the progress on construction, the financial analysis, relations with the customer, the project schedule, the status of disputes between the AREVA/Siemens consortium and the customer TVO, and the Statutory Auditors' position on the matter of project-related provisions. Having heard the assumptions used

(1) Independent members of the Supervisory Board.

3. Preparation and organization of the Supervisory Board's activities
3.4. Activities of the four committees of the Supervisory Board

to carry out mining asset impairment tests, the Committee issued a recommendation of caution. The Committee was given a presentation of estimated half-year 2011 results and heard the observations of the Statutory Auditors on these financial statements.

- **July 25, 2011:** The Committee undertook the quarterly review of major projects, examined the half-year financial statements, heard the comments of the Statutory Auditors, and reviewed the draft press release. A review of the process of forming a subsidiary of the mining business was presented to the Committee, as was the quarterly report of the Internal Audit Department.
- **October 18, 2011:** The Committee was given a presentation on the half-year risk map, the major projects review, progress on the OL3 project, and a review of cash forecasts. The Committee also went over the ethics reports put out by management and was informed of the change of the values charter which, in addition to stressing the concepts of nuclear safety, industrial safety, transparency and the Universal Declaration of Human Rights, introduces the concept of biodiversity and "zero tolerance" for corruption. Lastly, the Committee was informed about the new accounting consolidation standards.
- **October 26, 2011:** The Committee reviewed the draft press release related to financial information for the third quarter of 2011.
- **December 8, 2011:** Review of the year-end 2011 forecast and in particular impairment of mining assets and industrial assets in the Front End; review of the status of major projects; proposal to create a temporary committee charged with examining the conditions of UraMin's acquisition and operation and to draw conclusions for the Group.
- **December 9, 2011:** Review of the draft 2012 budget and the draft press release on the Group's financial outlook.

3.4.3. COMPENSATION AND NOMINATING COMMITTEE

As of December 31, 2011, the Compensation and Nominating Committee is composed of three members, chosen from among the members of the Supervisory Board; François David⁽¹⁾, its Chairman, Jean-Dominique Comolli and Agnès Lemarchand⁽¹⁾. Pierre Charreton serves as secretary to this Committee.

The Committee meets at least once per six-month period and as often as necessary to fulfill its duties. It is convened by its Chairman or at least two of its members.

With respect to compensation, the Committee is responsible for recommending to the Supervisory Board executive compensation levels, retirement and insurance programs, and in-kind benefits for executive officers of AREVA based on comparable factors in the market and on individual performance assessments.

With respect to nominations, the Committee reviews the files of the candidates for positions on the Executive Board and conveys its opinion to the Supervisory Board. The Committee also gives the Supervisory Board its opinion on executive appointments for first-tier companies of the AREVA group.

In 2011, the Compensation and Nominating Committee met five times, with an attendance rate of 95%:

- **February 8, February 18 and March 25, 2011:** The Committee recommended that the variable component to be paid to members of the Executive Board in 2011 for 2010, in percentage of fixed compensation, be 100% for Mrs. Lauvergeon, 80% for Messrs. Arbola and Benedetti and 70% for Mr Oursel. Of these variable shares, 60% are subject to quantitative objectives and 40% are subject to qualitative objectives. The Committee recommended not increasing the fixed compensation of the Executive Board members in 2011.
- **June 30, 2011:** The Committee examined the severance payments for members of the Executive Board whose terms have expired. The Committee issued a favorable opinion on the appointments of Messrs. de Montessus and Wantz to the Executive Board and recommended the amount of compensation of Mr Oursel as President and Chief Executive Officer and Mr Knoche as member of the Executive Board.
- **July 25, 2011:** The Committee supported the appointment of Mr Aubouin to the Executive Board. The Committee made a recommendation on the compensation of Messrs. de Montessus, Wantz and Aubouin and reexamined all compensation (fixed and variable components) of the members of the Executive Board to ensure overall consistency. The Committee discussed the provisions related to the benefit package of the new members of the Executive Board. Lastly, the Committee examined the conditions for attributing a severance payment at the end of a term and the determination of objectives and methods for calculating the variable component of compensation of new members of the Executive Board in the second half of 2011.
- **October 19, 2011:** The Committee reviewed the procedures for departure of officers whose terms were not renewed, i.e. Mrs. Lauvergeon and Messrs. Benedetti and Arbola. The Committee also proposed a revision to the rules concerning severance payments at the end of the terms of new members of the Executive Board.
- **December 5, 2011:** The Committee reviewed the status of non-renewed members of the Executive Board, the procedures for severance payments of members of the Executive Board, and the waiver of the variable component for the second half of 2011 by members of the Executive Board. The Committee examined the total amount and the individual amount of directors' fees.

3.4.4. END-OF-LIFECYCLE OBLIGATIONS MONITORING COMMITTEE

As of December 31, 2011, the End-of-Lifecycle Obligations Monitoring Committee is composed of five members, chosen from among the members of the Supervisory Board: Christophe Gégout, its Chairman, Christophe Behar, Sophie Boissard⁽¹⁾, Pierre-Franck Chevet and Gérard Melet. Patrick Herbin-Leduc serves as secretary to the Committee.

The Committee meets at least once per six-month period and as often as necessary to fulfill its duties. It is convened by its Chairman or at least two of its members. The Committee is charged with helping to

(1) Independent members of the Supervisory Board.

monitor the earmarked asset portfolio set up by AREVA subsidiaries to cover their future cleanup and dismantling expenses. In this capacity, and based on pertinent documentation submitted by AREVA, including a management charter, the Committee reviews the multiyear schedule of future cleanup and dismantling expenses for affected companies of the AREVA group; the criteria for establishing, managing and controlling the funds earmarked to cover expenses by those companies; and the investment management strategy for the related assets. The Committee provides the Supervisory Board with opinions and recommendations on these topics.

The Committee may hear financial consulting firms chosen by the fund management companies.

The End-of-Lifecycle Obligations Monitoring Committee met three times in 2011, with an attendance rate of 74%.

- **May 11, 2011:** The Committee examined the annual update memorandum to the report related to Article 20 of the French law of June 28, 2006 related to the sustainable management of radioactive waste and materials as well as the status of managed dismantling assets and liabilities at year-end 2010; the coverage ratio is slightly above 102%. The Committee also reviewed the audits conducted by the General Directorate of Energy and the Climate (DGEC).
- **October 18, 2011:** AREVA's Financial Department presented a review of the markets and their impact on the coverage ratio to the Committee.
- **December 9, 2011:** The Committee took cognizance of the principle developments expected at the end of 2011 in end-of-lifecycle liabilities and of the estimated coverage ratio. The proposal for changes in the management of earmarked assets received a favorable opinion from the Committee.

→ 4. System of internal controls

4.1. INTRODUCTION

This section is organized according to the frame of reference for internal controls published by the Autorité des marchés financiers (French stock market authority AMF) in July 2010.

The scope of internal controls described below applies to AREVA as the parent company as well as to all of the companies it controls, regardless of their legal form of business.

Following the meeting of AREVA's Supervisory Board on June 30, 2011, a new Executive Board took up its functions at the head of the Group. On this occasion, the Supervisory Board noted the success of the integrated model that enables the Group to cover nuclear power plant design and construction, related services, and all the stages of the fuel cycle, and to offer its customers a service tailored to each of their needs. At the same time, the Group has developed a portfolio of solutions in renewable energies. With this as a backdrop, the Executive Board's activities go towards the continuity of the Group's strategic positioning plan.

4.1.1. AREVA GROUP COMMITMENTS

The AREVA group defined and implements a number of fundamental commitments regarding the conduct and development of its operations. The environment for internal controls is based on these commitments, among other things.

The **Values Charter** is the reflection of the Group's business culture and the expression of its commitments, in particular those concerning sustainable development. The AREVA group's values are integrity, an acute sense of professionalism, responsibility, sincerity, partnership, profitability and customer satisfaction. The Values Charter sets forth values, action principles and rules of conduct that apply to all of the Group's executives and employees as well as to the members of the Supervisory Board.

In accordance with the Values Charter, the AREVA group intends to focus its main efforts on:

- improving its performance and the satisfaction of its customers;
- its development, relying on the integrated model;
- maintaining a high quality of social dialogue;
- being exemplary in the fields of nuclear safety, industrial safety and transparency.

AREVA University's programs to sensitize management to the Values Charter continued. The Business Ethics Advisor also led sessions in Germany and in the United Kingdom in connection with the implementation in mid-2011 of Britain's new anti-corruption law (the Bribery Act 2010), in a repeat of the program led in 2010 during passage of this law, to recall its extraterritorial nature and its distinctive features in relation to the US anti-corruption law (the Foreign Corrupt Practices Act), which had been the international standard up until then. With respect to human rights in business, programs to raise management awareness were held with Entreprises pour les Droits de l'Homme (EDH), an association of French multinationals of which AREVA is an active member. The Business Ethics Advisor also sensitized management of the units concerned to the Nuclear Power Plant Exporters' Principles of Conduct, an industry initiative announced in September 2011 by the Carnegie Endowment for International Peace, to which AREVA actively contributed.

Lastly, the Group ensures, to the maximum extent possible, employee compliance with competition law requirements to which it is subject. To this end, the Legal Department in charge of European and Competition Law is asked to review the Group's projects and serves as an advisor on competition law at every level of the company. In 2011, the department distributed a series of practical guidelines aimed in particular at enabling

4. System of internal controls

4.2. Organization, governance, resources, information systems and operating procedures

the Legal Department to better identify and handle early in the process competition issues with which the Group is regularly confronted, such as requests for proposals, meetings with competitors, and consortiums. These guidelines are destined to be supplemented with training of the operating teams, which will continue throughout 2012.

4.1.2. INTERNAL CONTROL STANDARDS

The AREVA group defers to the definition of internal control of the Autorité des marchés financiers (AMF, France's stock market regulator). According to the AMF's "frame of reference for internal control", the internal control system is characterized by:

- an organization with a clear definition of responsibilities, sufficient resources and expertise, and appropriate information systems, procedures, tools and practices;
- the internal dissemination of relevant and reliable information enabling each person to discharge his or her responsibilities;
- a system to identify, analyze and manage risk;
- control activities designed to reduce this risk; and
- continuous monitoring of the internal control system.

The Group ensured that the approach taken is consistent with the standards of the AMF. In particular, it verified the consistency between:

- the "implementing guidelines for the internal control of accounting and financial data reported by issuers" included in the AMF frame of reference, and
- the system for self-assessment of internal controls within the Group (self-audit), which was carried out to ensure that all the standards are met (see Section 4.6., *Continuous oversight of the internal control system*).

4.1.3. INTERNAL CONTROL OBJECTIVES

Internal controls contribute to operational control in terms of effectiveness, the protection of assets, compliance with legislation and regulations, the reliability and quality of information produced and reported, and implementation of instructions and guidance from the Executive Board.

They provide reasonable assurance that the Group's objectives will be met. However, no matter how well designed and implemented, internal control mechanisms are not sufficient by themselves to guarantee with certainty that these objectives will be met.

AREVA's internal control system is fully consistent with the Group's commitments regarding the conduct and development of its operations, particularly as regards the Values and Sustainable Development Charter.

4.2. ORGANIZATION, GOVERNANCE, RESOURCES, INFORMATION SYSTEMS AND OPERATING PROCEDURES

Internal controls are implemented throughout the Group by all employees under the overall responsibility of the Executive Board and management.

4.2.1. ORGANIZATION OF THE AREVA GROUP

In matters of corporate governance, AREVA has opted for an organization that ensures the separation and balance of authority. Executive and management authority is vested in the Executive Board, while approval and control authority is vested in the Supervisory Board and the General Meeting of Shareholders.

AREVA's Executive Board and Executive Management Board (EMB) design and oversee internal control systems.

The operational organization of the Group set up in 2010 was confirmed in July 2011. Under the direction of the Executive Board and its Executive Management Board, the organization is built on:

- five Business Groups (BG);
- an Engineering & Projects organization (E&P);
- Functional Departments, and
- two Regions (Germany and North America).

The Business Groups provide operational leadership for the Group's operations, while the Marketing & Sales Department provides commercial leadership, in particular for the international network of sales offices.

The Executive Board is constituted by its Chairman, Luc Oursel, and four other members who report to him:

- Philippe Knoche, Chief Operating Officer;
- Pierre Aubouin, Chief Financial Executive Officer;
- Sébastien de Montessus, Senior Executive Vice President, Mining Business Group; and
- Olivier Wantz, Senior Executive Vice President, Operations Support.

In addition to the powers given to it by law, the Executive Board is in charge of:

- defining the Group's strategy and its implementation;
- defining the Group's performance objectives (financial, commercial, operational, nuclear safety, etc.) and their breakdown by business, and monitoring their achievement;
- allocating the Group's resources (human, financial, etc.), in particular the decision to launch capital spending programs and appointments of senior executives;
- defining organizational principles and processes to serve customers and build talent.

The Operating Departments – the Business Groups and Engineering & Projects organization – together with the Marketing & Sales Department,

4. System of internal controls

4.2. Organization, governance, resources, information systems and operating procedures

the Functional Departments and the Regions (Germany and North America) report as follows:

- to Luc Oursel: the Marketing & Sales Department, the Communications Department, the Executives Career and Organization Department, the Human Resources Department, the Chief Administrative Officer, the Strategy, Mergers & Acquisitions Department, and the Renewable Energies Business Group;
- to Philippe Knoche: the Front End Business Group, the Reactors & Services Business Group, the Back End Business Group, the Engineering & Projects organization, the Research & Development Department and the North America Region;
- to Pierre Aubouin: the Finance Department and the Audit Department⁽¹⁾;
- to Sébastien de Montessus: the Mining Business Group;
- to Olivier Wantz: the Operations Support Departments (the Purchasing Department, the Sustainable Development and Continuous Improvement Department, the Process Optimization and Cost Reduction Department, the Protection Department, the Quality and Performance Department, the Information Systems and Services Department, and the Safety, Health, Security and Environment Department) and the Germany Region.

Within the framework of this organization, the Executive Board involves the following persons in its work to support activities in connection with bimonthly meetings of the Executive Management Board:

- the Chief Commercial Officer;
- the Senior Executive Vice President of Communications;
- the Senior Executive Vice President of Executives Career and Organization;
- the Senior Executive Vice President of Human Resources;
- the Senior Executive Vice President of Strategy, Mergers and Acquisitions;
- the Chief Administrative Officer.

The Executive Board relies on five coordination and steering committees which have broad delegation of authority:

- the Operations Committee is chaired by the Chief Operating Office or the Senior Executive Vice President of Operations Support. It examines and arbitrates between operational matters across the Operating Departments (Business Groups and Engineering & Projects organization), the Operations Support Departments and the Regions. This Committee meets bimonthly;
- the Major Offers Committee is chaired by the Chief Executive Officer or the Chief Commercial Officer. This Committee meets weekly;
- the Major Projects Committee is chaired by the Chief Executive Officer or the Chief Operating Officer. This Committee meets bimonthly;

- the Human Resources Committee is chaired by the Senior Executive Vice President of Human Resources. As a minimum, this Committee meets bimonthly;
- the Risk Committee, chaired by the Chief Administrative Officer, is charged with coordinating the analysis of the Group's principal risks and setting up the necessary action plans to manage them.

The missions and rules of procedure of these five committees are the subject of specific organizational notes. The Risk Committee was created on December 1, 2011 and will be operational as from the year of 2012. The four other committees were created and operational upon the change in governance in July 2011.

The following committees are eliminated: the Major Customer Projects Committee, the Engineering Management Committee, the Operational Coordination Committee and the Investment Committee. Their powers and duties are assumed by the four coordination and steering committees on which the Executive Board relies, except for capital spending, which lies directly within the province of the Executive Board and its Executive Management Board.

The other existing committees of the organization – Sales Compliance Committee, Mergers & Acquisitions Panel, Strategic Purchases Committee and Dismantling Operations Monitoring Committee – are not affected by these changes.

4.2.2. DEFINITION OF RESPONSIBILITIES AND AUTHORITY

The Group has a frame of reference that clearly defines powers and duties. It is based on the following parts:

- formal written and duly signed organizational notes describing missions and responsibilities at the level of the Group, the Business Groups, the Engineering & Projects organization and the Functional Departments;
- formal written delegations of authority in the procedure "Delegation of Authority – Thresholds and Decision Channels", which defines internal rules for authorization and decision for the leading operational processes; and
- delegations of authority and signature authority throughout and at each level of the Group to conduct business as appropriate and in a manner consistent with applicable laws and regulations.

The organization and delegations of authority are defined to comply with the principle of the separation of duties. In particular, governance and internal control principles applicable to delegations of authority set financial limits by type of transaction, for which information must be provided to or authorization received from the competent authority.

(1) The measures taken to ensure the independence of the Audit Department in exercising its missions are explained in the Audit Charter.

4. System of internal controls
4.2. Organization, governance, resources, information systems and operating procedures
4.2.3. HUMAN RESOURCES MANAGEMENT POLICY

The Executive Management Board approves the Group's Human Resources management policy, which is implemented by the Group's Human Resources Department in agreement with the other departments involved. The plan has four major thrusts:

- to strengthen the Group's culture by sharing core values and common practices;
- to facilitate recruitment, mobility and talent development, particularly through training, so as to increase the Group's market leadership;
- to develop an innovative, responsible social policy that promotes diversity; and
- to develop tools for human resources management performance.

4.2.4. INFORMATION SYSTEMS

The mission of the Information Systems and Services Department is to ensure the availability of high-performance, cost-effective and secure information systems and to oversee the overall consistency of the Group's information systems. To accomplish this, the department is organized to meet two major goals:

- to orient the information system towards services to the Group's businesses, in alignment with the organization of the Group's business processes, and
- to standardize, streamline and consolidate the technical and functional infrastructure to ensure its performance and reliability, taking into account both economic and geographic considerations.

The department follows a customer-oriented approach to supporting the Group's businesses and economic objectives by offering technology solutions that meet the needs of the Group and its customers.

4.2.5. OPERATING PROCEDURES
4.2.5.1. General internal control procedures

The Group's internal control procedures consist of rules, directives and operating procedures defined by the Executive Board and the Functional Departments, and in particular the Audit Department and the Department of the Chief Administrative Officer, which covers in particular Business Ethics, the Internal Control and the Risk and Insurance Department.

The preparation, distribution and implementation of these internal control procedures are a component of the Group's action principles.

Supplementing this, the businesses have translated their internal control systems into charters and policies.

The charters establish rules of governance and principles for internal controls, particularly in the following areas:

- the Nuclear Safety Charter, which spells out the Group's commitments in the field of nuclear safety and radiation protection to ensure that requirements are met throughout the facility lifecycle;

- the Audit Charter, which describes the purpose, missions, roles and responsibilities and applicable procedures of the Group's internal audit; and
- the Network Security Charter, which defines the basic principles of the AREVAnet computer information network and the rules to be followed to access various services.

The policies define the operating principles and procedures that are a step above specific business procedures. In particular, the Group has established the following policies:

- the procurement policy and the guide to ethics in procurement, which set rules, objectives and best practices in procurement and business ethics;
- the payment security policy, which defines the Group's policy for secure payment methods and the means to be used to limit the risk of fraud;
- the personnel protection policy, designed to give all Group employees an equal level of protection, whether they are traveling on business or live in France or abroad;
- the occupational safety and environmental policies, which establish rules of conduct for continuing risk reduction; and
- the human resources policy, otherwise known as the "Talent Builder", which aims to increase the company's collective performance by developing each individual's skills and talents in a spirit of transparency, equity and diversity.

Consistent with the principle of subsidiarity and to ensure the assimilation of these principles, the Business Groups adapt the procedures to their specific circumstances prior to implementation within their entities.

4.2.5.2. Accounting and financial reporting procedures

In addition to the role of the Audit Committee and the Group's other governance bodies, internal control procedures comply with the principles hereunder.

Overall organization of risk management

Information is collected and processed at two operational levels: the operating entities (level 1 information production) and the business unit (base unit for management and performance analysis throughout the Group), subsequently consolidated by Business Group.

Instructions for consolidation are issued by the Group's Financial Control department for all half-year and annual financial statements. These instructions set forth:

- the schedule for preparing accounting and financial information for reporting purposes;
- the process for validating this information;
- items requiring particular attention, such as complex issues, changes in the legal environment and new internal procedures; and
- the coordinators for consolidation at the corporate level, who are responsible for validating consolidation operations for a portfolio of entities and for preparing crosscutting analyses for the entire Group (corresponding to the notes to the consolidated financial statements).

The Group's Finance department launched an initiative to model the Group's main financial processes and establish a complete, up-to-date database shared by all stakeholders involved in these processes (Corporate Departments and Business Groups). This system:

- documents the processes while acting as an interface for applicable Group procedures;
- ensures appropriate control of the processes, including identification of the persons involved, the risks and the related control systems; and
- identifies areas for performance improvement and process optimization.

The processes modeled can be consulted on a dedicated intranet page.

Financial communications revolve around the five Business Groups – Mining, Front End, Reactors & Services, Back End and Renewable Energies – and are based on data in the consolidated financial statements.

Implementation and control of accounting principles

The reporting entities' financial statements are prepared in accordance with the Group's accounting and financial principles. These rules apply to all entities included in the Group's consolidation scope. These principles include:

- a glossary that defines the main headings of the financial statements and the Group's performance indicators;
- an annotated chart of accounts; and
- accounting procedures issued by the Financial Controls department.

These principles are supplemented by procedures and instructions issued and reviewed on a regular basis by the other units of the Finance department (Financial Operations and Cash Management department, Financial Communications department, Tax department) and by the Business Groups, and include procedures and instructions dealing specifically with internal controls and fraud.

The "standards and procedures" function of the Financial Controls department defines and distributes information relating to implementation of the financial and accounting standards, procedures, principles and rules. It also monitors changes in regulations to ensure that the financial statements are prepared in accordance with IFRS rules adopted by the European Union.

4.2.6. SOFTWARE

In addition to office equipment used by employees, the Group has specific software customized for the management of its operations.

A wide variety of tools are used, including facility control systems, integrated management systems, methods and scorecards, and contribute to the operational control of each business.

In particular, the Group has a single, secure reporting and consolidation tool shared throughout the Group under the authority of the Finance department.

In addition, organizational memoranda and standards and procedures applicable to the entire Group are distributed using a dedicated software application.

AREVA rolled out the AREVA Segregation of Tasks & Roles Optimization project (ASTRO) to strengthen internal controls and streamline access to information systems. The main objective of this project is to make the management process for access secure by ensuring that user roles are defined according to best practices for the separation of duties and by automating their management with the SAP Governance, Risk and Compliance suite (SAP GRC).

Following a pilot phase completed in July 2008, ASTRO was deployed in all of the Group's core SAP systems as new SAP applications were started up in the entities.

4.2.7. PRACTICES

Internal control relies on all of these elements as well as on the practices of all employees, which are themselves based on the Group's commitments (Values Charter, compliance with the principles of sustainable development, etc.). "Best practices" are identified to facilitate their dissemination and sharing so as to ensure effective continuous improvement in matters of internal controls.

AREVA University is an important vehicle for interaction in this regard. Through its activities, it aims to develop AREVA's values and business culture, to facilitate the exchange of best practices, and to involve all employees in implementing the Group's strategy.

Lastly, the "internal control" function led by the Chief Administrative Officer and the Finance Department as part of the Internal Control Committee relies on a network of Internal Control coordinators appointed in each of the Business Groups, whose particular objectives are to:

- ensure the distribution of information concerning decisions made and their application by the entities ("top-down");
- roll up points requiring attention from the entities to the committee ("bottom-up").

The Advisor in charge of Internal Control in the Office of the Chief Administrative Officer:

- working closely with the Audit Department, provides follow-up of measurement indicators and the performance of the Internal Control system for the Group's governance bodies, particularly through the self-assessment exercise;
- provides support and advice (preventive and remedial actions), in liaison with the Audit Department, operational management and the functional departments.

The person responsible for "accounting and finance" Internal Control is tasked more specifically with issues related to accounting and finance internal control.

These two functions make sure that an Internal Control culture is disseminated and development within the Group, that best practices are shared internally, and that regulatory change and established best practices are monitored.

4. System of internal controls
4.3. Dissemination of information
4.3. DISSEMINATION OF INFORMATION

Bottom-up and top-down information channels have been established to communicate relevant and reliable information in a timely manner. Examples are provided below.

- Bottom-up information:
 - accounting and financial information is processed and reported in accordance with specific procedures using shared tools to record and control the data (i.e. a single, secure reporting and consolidation software program shared by the entire Group and supervised by the Finance department);
 - a common software program is used to measure the progress of action plans, indicative of the achievement of strategic objectives, and serves as an additional channel for bottom-up reporting.

- Top-down information:

- the relevant departments and the Group's entities are informed of resolutions by the corporate decision-making bodies; and
- the Group monitors laws and regulations on safety, security, health, the environment, accounting and tax, and disseminates this information throughout the Group as appropriate, with organizational memoranda, rules, standards and procedures disseminated in accordance with established organizational standards and procedures.

Communications with stakeholders follow appropriate processes to ensure the quality of the information provided.

4.4. MANAGING RISK AND SETTING OBJECTIVES
4.4.1. RISK IDENTIFICATION, ANALYSIS AND MANAGEMENT

The Group drew up a risk map when it was established to take into account the potential impact of events on the achievement of the Group's operational objectives. AREVA's Risk and Insurance Department, working with the Risk Managers of the five Business Groups (which themselves have a network of Risk Managers in their operating entities), carries out an annual update. The risk map is submitted to the Supervisory Board's Audit Committee, with the Audit Director attending. In particular:

- the management teams of the business units have approved the assessment of risk in their operations. For example, the Group's entities have collected, analyzed and measured the risk factors of their respective operations. They have also prepared mitigation plans and management procedures to minimize the risk and have designated the people in charge and the schedule for completion;
- the main risk factors and the procedures for managing risk are identified and described in the Reference Document in the section regarding risk management and insurance (see Chapter 4, *Risk factors*). In particular, matters pertaining to nuclear and industrial safety, which are an absolute priority for the Group, are discussed in that section.

In addition, the Industrial department is tasked with supervising industrial risk management and, on a practical level, working with the relevant business units to ensure the implementation and effectiveness of action plans used to control and ultimately reduce risk.

Moreover, the risks associated with each heading of the balance sheet, income statement and off-balance sheet information are identified as a minimum by one of the Group's tools, the self-assessment questionnaire (see Section 4.6., *Continuous monitoring of the internal control system*). This identification, along with the Group's tools and procedures, is used to manage the risk by implementing the corresponding action plans. The Finance department matches the Group's tools to the risk associated with each balance sheet item.

The Finance department regularly reports to the Audit Committee on the Group's major investment and commercial projects. This report is used to monitor projected profitability and changes in the risks associated with those projects.

4.4.2. SETTING OBJECTIVES

The process of setting the Group's objectives takes place within the framework of deployment of the new "Action 2016" strategic action plan approved by AREVA's Supervisory Board.

This action plan targets performance improvement by relying on the values of safety, security and transparency.

It is based on decisive strategic choices:

- **commercial priority given to value creation**, which includes solutions for the installed base (integrated offers in the front end of the cycle, safety upgrades necessary in the post-Fukushima environment, modernization and extension of the life in service of existing reactors worldwide, and used fuel management solutions) and the construction of new reactors meeting the most demanding criteria for nuclear and industrial safety;
- **selectivity in capital spending**, which means focusing operating Capex through 2016 on ongoing nuclear safety, industrial safety and maintenance programs and projects already launched; several capital projects having been suspended due market uncertainties;
- **strengthening of our balance sheet** based on performance improvement, an appropriate level of liquidity and a program of asset sales for more than 1.2 billion euros.

From now to 2015, **performance improvement** is underpinned by five pillars: nuclear and industrial safety, economic competitiveness, operations and customers, technologies and human resources.

Concerning economic competitiveness, the Group identified and implemented a set of initiatives formalized through a performance improvement plan aimed at reducing operating costs (with total savings targeted at 1 billion euros on an annual basis by 2015, or 10% of the cost base) and improving working capital requirement by 500 million euros (a reduction of more than 15 days of revenue) by 2015.

All of these objectives will be broken down in a consistent manner in the Business Groups and support functions and their implementation and achievement will be regularly monitored by the Executive Management Board.

4.5. CONTROL ACTIVITIES

The Functional Departments are responsible to the Executive Board for the correct implementation of their policies. In particular, the Financial Control Department defines and ensures the application of management control rules, documents accounting and finance management processes, and ensures compliance with rules on delegations of authority pertaining to financial commitments.

Each functional and operational level establishes appropriate controls to ensure that the objectives are met. Reporting and budget revisions are used to monitor budget progress and performance in terms of achieving the objectives.

By definition, each organization is responsible for its own internal controls. These controls rely on the mobilization of human, physical and financial resources, the organization of these resources, the deployment of specific objectives within the organization, and the implementation of controls for prevention or detection.

Preventive controls are performed according to specific procedures, whether manual or computerized, involving validations at appropriate levels of the organization, among other things. Detection controls consist

of after-the-fact verifications connected with specific supervision of the work performed and analysis of variances or anomalies. Information systems, performance indicators, etc. are used to facilitate this supervision.

In addition, auditing and expert bodies are charged with controlling the most significant issues in relation to the Group's specific goals.

In particular, as regards accounting and financial reporting:

- each entity has set up a system of controls before transactions are recorded;
- controls are performed at the different stages of the consolidation process:
 - either automatically by the consolidation software (control of debit/credit balances, data traceability, data integrity, access control), or
 - manually by the consolidation department, financial controllers and business analysts; and
- the Group's Tax department performs tax reviews of the Group's main companies.

4.6. CONTINUOUS OVERSIGHT OF THE INTERNAL CONTROL SYSTEM

The AREVA group continually optimizes its internal control systems under the supervision of the Executive Board and the Executive Committee and with the oversight of the Supervisory Board through its Audit Committee.

In particular, it is the Chief Administrative Officer's mission to deploy an annual compliance letter process that applies to all senior executives of the subsidiaries, Senior Executive Vice Presidents of the Business Groups, Directors of the business units, Regional Directors, and Senior and Executive Vice Presidents of the Group's Functional Departments confirming compliance with the principles of the Group's Values Charter and protecting the identity of whistleblowers to prevent any subsequent retribution or discrimination in their regard;

The Internal Audit department, which, in performing its duties, verifies compliance with internal controls and the effectiveness of established internal control procedures within the Group. Audit missions are implemented in accordance with an annual audit plan approved by the Executive Board and reviewed by the Audit Committee. The plan is based on an independent assessment of risk performed by the Audit department. In particular, this assessment takes into account the risks

identified using the full range of the Group's tools (risk map of the Risk and Insurance department, but also the risk identification carried out by the Environment department, the Safety, Health, Security and Environment department, and others).

The Audit department may intervene in any area related to internal controls. Its activities are carried out in accordance with an Audit Charter according to the standards of the profession defined by the Institute of Internal Auditors (Institut français de l'audit et du contrôle interne, IIA-IFACI – IFACI certification renewed in 2009 and maintained in 2010 and 2011 without any indication of non-compliance of any sort) and a Code of Business Ethics.

The resulting recommendations give rise to performance improvement plans, which are monitored in liaison with the managers involved.

Lastly, the Audit Director presents his internal controls review report to the Executive Management Board and to the Audit Committee.

In addition to audits scheduled in the audit plan, the Group's entities have performed a self-assessment of their internal controls every year

4. System of internal controls
4.6. Continuous oversight of the internal control system

since 2007 following a standard questionnaire (the "Income Self Audit"), duly validated by their operational management, that complies with the "Implementing guidelines for internal controls of accounting and financial information" of the frame of reference published by the AMF. The questionnaire, reviewed by the Joint Statutory Auditors, was deployed in 2011 across the entire consolidation scope of the Group, representing 130 entities in some 20 countries. For each entity, it covered some 200 control points divided into 14 business cycles, and it ensured that continuous improvement applies to internal controls, particularly by the entities' development and gradual deployment of action plans addressing the weaknesses brought to light (9% of the control points tested had not been achieved without being formalized, and opportunities for improvement in the management of information systems, particularly as concerns access management and conflicting tasks, were identified).

The entities' results from this questionnaire, reviewed by the Audit Department to ensure oversight of the overall system, were presented to the relevant organizational levels (business units, Business Groups and Functional Departments), and the key findings were included in the Audit Director's annual internal controls review report.

The "Internal accounting and financial controls" function and the deployment of new tools and processes in Group projects are important drivers for strengthening internal accounting and financial controls.

* * *

In the special session of December 12, 2011 devoted among other things to a review of the 2011 closing forecasts, AREVA's Executive Board indicated that it planned to set up a provision in the company's financial statements for the year ended 2011 in the amount of 1.46 billion euros (2,025 billion dollars) for impairment of assets from the reporting entity UraMin, a mining company acquired by AREVA in 2007, which, considering the provision of 426 million euros set up in 2010, brings the value of these assets on AREVA's balance sheet to approximately 410 million euros.

Given the extent of these provisions, the Supervisory Board decided to task three of its members, meeting as an ad hoc committee, with analyzing the conditions of the acquisition of this company as well as the principal decisions made in this reporting entity up through 2011, and to recommend, in light of these analyses, all useful measures in AREVA's interest.

This committee reported on its work during the Supervisory Board session of February 14, 2012.

Given the malfunctionings brought to light, the Supervisory Board considers it appropriate to thoroughly review AREVA's governance to ensure that decisions touching on acquisitions or substantial investments be reviewed and validated in the future in conditions ensuring better legal and financial security and permitting more transparent dialogue between management and the Supervisory Board.

The Executive Board was thus asked to add a revision of AREVA's by-laws to the agenda for the upcoming Annual General Meeting of Shareholders that:

- amends Article 22.2, making the Supervisory Board's approval mandatory for any project or binding decision concerning the creation of a site or increase of an existing site's capacity, as well as for any

organizational transaction (acquisition and shareholding) above the threshold of 20 million euros; and

- amend Article 22.1, instituting an Ethics Committee which will be responsible for managing recourse to business intelligence studies and the Group's compliance with best practices in matters of business ethics.

It was decided to amend the rules of procedure of the Supervisory Board to broaden the purview of the Strategy Committee by making it responsible for examining projects and binding decisions as well as organizational transactions pursuant to Article 22.2 of the by-laws. This committee shall henceforth be called the "Strategy and Investments Committee" and shall meet at least four times per year. Each year, during the annual budget review, it will examine a medium-term, three-year plan with precise figures setting forth in detail the planned capital expenditures and anticipated production costs, in particular for each of the mining sites.

It requested that a Resources and Reserves Committee be set up by June 30, 2010 under the authority of the Executive Board and made responsible for validating, each year, resource and reserve estimates appearing in the Reference Document based on the work led by the Reserves Department. This Committee, which will involve one or several recognized experts from outside the Group, shall indicate the methods and schedule for updating resources and reserves. Its work shall be the subject of an annual report to AREVA's Audit Committee.

It noted that the deliberations of the Executive Board and of the bodies or authorities to which it has delegated authority must systematically be formalized in writing and asks the Executive Board to ensure that this rule is scrupulously applied.

It also noted the absolute necessity for the Group's executives to express themselves in a rigorous and coordinated manner on the company's financial and operational position to ensure the consistency of information given to the shareholders and the market, in accordance with the recommendations of the Afep-Medef Code.

It took note of the measures already undertaken by the new Executive Board to improve the internal procedure for project reviews, validation and follow-up, and recommends that the latter be brought to a successful conclusion in the shortest time possible, in liaison with the Audit Committee.

Lastly, it asked the Executive Board to study the transformation of the company's legal form into a limited liability company with a board of directors.

In light of this report, the Supervisory Board noted that the regularity and fairness of the financial statements for previous years was not in doubt.

The Group decided to take into account the recommendations which constitute avenues for improvement of AREVA's governance.

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This year's report does not contain an analytical section. This is consistent with practices in France and the recommendations of the Autorité des marchés financiers, as described in its December 13, 2011 report on corporate governance and internal controls.

The Chairman of the Supervisory Board

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* effective December 15, 2011