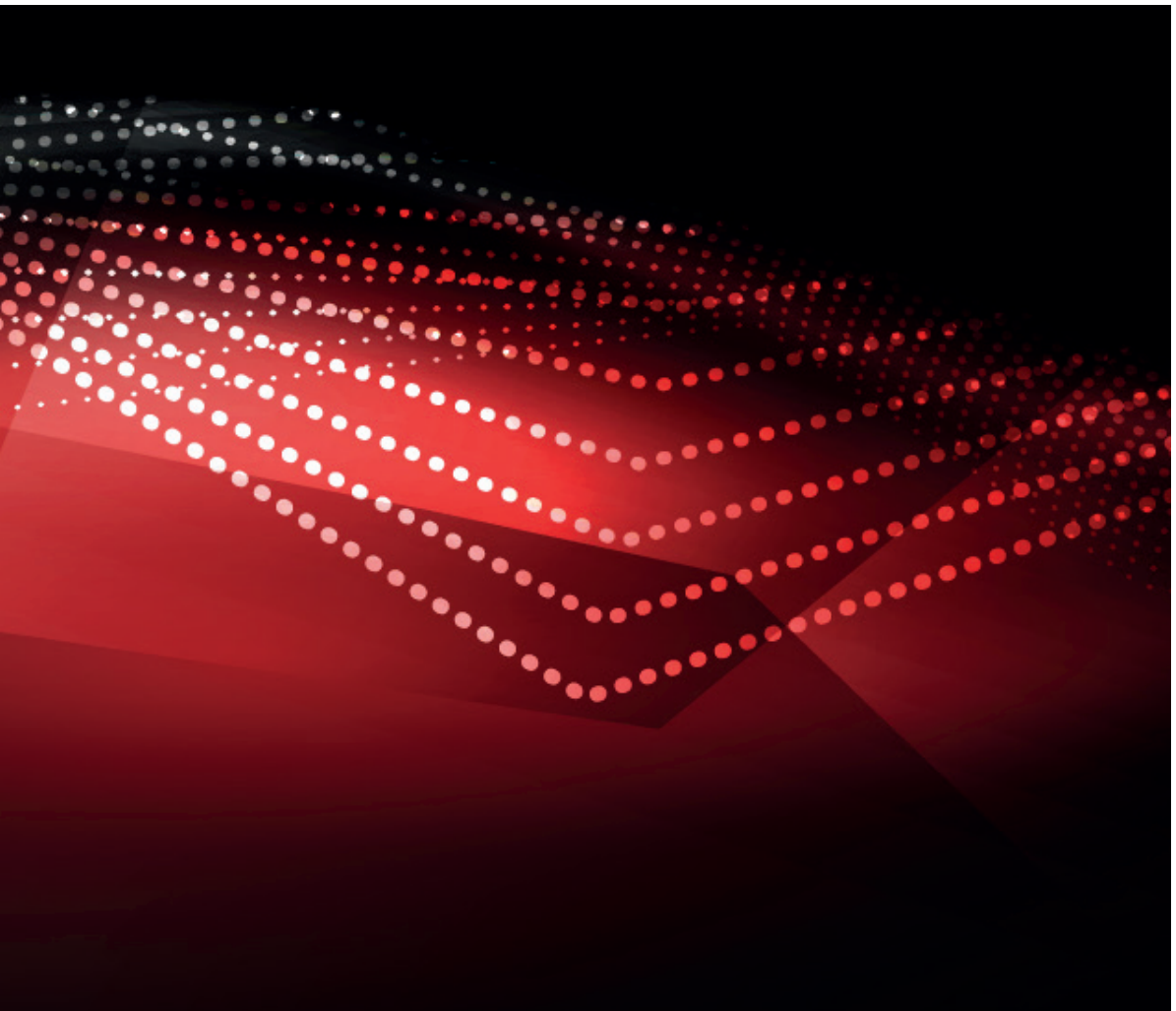




DROIT ET CROISSANCE

FAIRE DU DROIT UN VECTEUR DE CROISSANCE





WHAT IS

LAW & ECONOMICS?

Law & Economics shares with other branches of economics the assumption that individuals are rational and responsive to incentives.

This approach focuses on the effectiveness with which rules should achieve their goals. The main contribution of this discipline is the modification of behaviours to contribute to the optimal well-being of society at a minimal cost.

To reach this goal, law and economics researchers use mathematical models from economics, such as empirical studies, statistics, data modelling or game theory, to study the influence of the norm on human behaviour and their interaction.

PROMOTING LAW & ECONOMICS IN FRANCE AND EUROPE

Based on the dual observation that law can be a powerful engine for economic growth and that the walls separating law and economics affect the quality of the French legislative process and economic development, a group of economists and legal academics, business lawyers, and researchers decided to jointly propose solutions.

In this way, Droit & Croissance (*Rules for Growth*) was born in 2012. It is the first non-partisan independent Think Tank dedicated to French and European economic Growth, through the financing of research and the promotion of law and economics.

Thanks to a multidisciplinary team of 60 economists, lawyers, researchers, and doctoral students, Droit & Croissance now operates in six main areas of research :

- Business Restructuring
- Bank regulation and market infrastructures
- Corporate Governance and financial markets
- Antitrust
- "Smart Regulation" / Public law
- Innovation



DROIT & CROISSANCE:

MISSIONS AND AMBITION

DEVELOPING A RESEARCH CENTRE OF EXCELLENCE IN LAW AND ECONOMICS

The ambition of Droit & Croissance is to become a research centre of excellence in the field of Law & Economics, through the publication of research articles, analyses, comments, drafting proposals for regulatory or legislative articles and the organization of thematic conferences bringing together the business and academic sectors.

INFLUENCING POLICYMAKERS

Droit & Croissance is positioned as a decision-making tool encouraging public authorities to base their orientations on analyses supported by scientific research. Droit & Croissance also focuses on the formulation of specific recommendations through its various activities, its responses to public consultations or more informal exchanges with various ministries.

SYSTEMATIZE THE LAW AND ECONOMICS OF THE NATIONAL LEGAL FRAMEWORK

The French legal system is currently unevenly adapted to changes in the economy and finance. Through its outreach effort, Droit & Croissance intends to democratize and systematize the use of law and economics in the construction of the French legislative corpus and in the dialogue between stakeholders (government, parliament, companies, professional groups, etc).



A TEAM DEDICATED TO

PUBLIC SERVICE

EXECUTIVE COMMITTEE

The **Executive Committee** is responsible for setting broad strategic directions, for setting our research policy and for organizing the fundraising of Droit & Croissance. The Executive Committee meets three times per year.

| | |
|--------------------------|--|
| • Sophie Vermeille | Founder of Droit & Croissance, lawyer, lecturer at HEC and University of Paris 1 Panthéon-Sorbonne |
| • Bernard Desolneux | Chairman |
| • Thomas Philippon | Vice-President, Professor of Finance at the Stern School of Business, New York University |
| • Thomas Bourveau | Vice-President, Assistant Professor at Columbia Business School |
| • François Vannesson | Secretary General, General Counsel of Axa Climate |
| • Ahmed Guenaoui | Treasurer, adviser to the general management of a large multinational company in the energy sector |
| • Yann Coatanlem | Managing director, Citigroup, New York |
| • Delphine D'Amarzit | Deputy General Manager at Orange Bank |
| • Emmanuelle Mignon | Partner at August & Debouzy |
| • Alain Pietrancosta | Professor of Law at the University of Paris (Sorbonne) |
| • Pierre-Charles Pradier | University Lecturer, University of Paris 1 Panthéon-Sorbonne |
| • Isabelle Roux-Chenu | Head of group commercial & contract management, senior advisor to the group chairman & CEO, Cap Gemini |
| • Ludovic Subran | Chief Economist of Euler Hermes |



A TEAM DEDICATED TO

PUBLIC SERVICE

STEERING COMMITTEE

The Steering Committee is responsible for submitting proposals for our research projects. Some of its members are directly involved in the research work conducted by Droit & Croissance. The Steering Committee convenes annually.

| | |
|---------------------------|---|
| • Alain Bloch | Director of HEC Entrepreneurs co-founder of HEC Family Business |
| • Hubert de Vauplane | Partner in an American business law firm |
| • Luca Enriques | Professor at the Faculty of Law, University of Oxford |
| • Alexandre Garel | Professor at Auckland University of Technology |
| • Aurelio Gurrea-Martinez | Professor of Law, Singapore Management University |
| • Olivier Jouffroy | Counsel at Clifford Chance Paris |
| • Augustin Landier | Professor of Economics, Toulouse School of Economics and HEC |
| • Benjamin Le Pendeven | Assistant Professor, Audencia Business School |
| • Mathieu Luinaud | Associate – PwC Space Practice |
| • Ejan Mackaay | Professor, University of Montreal |
| • Paul Oudin | Student in law and finance at the University of Oxford |
| • Anne Perrot | General Inspector of Finance |
| • Lucien Rapp | Lawyer at Watson Farley, Professor, University of Toulouse and HEC |
| • Simone Sepe | Professor of law and finance, University of Arizona and University of Toulouse |
| • Felix Steffek | University Lecturer at the University of Cambridge and senior member of the Newham College of Cambridge |
| • Adrien Tenne | Consultant at A.T. Kearney |
| • Florence Thépot | Lecturer, University of Glasgow |
| • Philippe Tibi | Professor of Finance at the Ecole Polytechnique and at Sciences Po Paris |
| • Georges Ugeux, | CEO of Galileo Global Advisors, lecturer at Columbia Law School |
| • Marco Ventoruzzo | Professor at the Bocconi University of Milano and Professor at the University of Pennsylvania Law School. |



PERMANENT TEAM

The Permanent Team of Droit & Croissance consists of people from the professional and academic sectors, coming from various backgrounds in law, economics and finance.

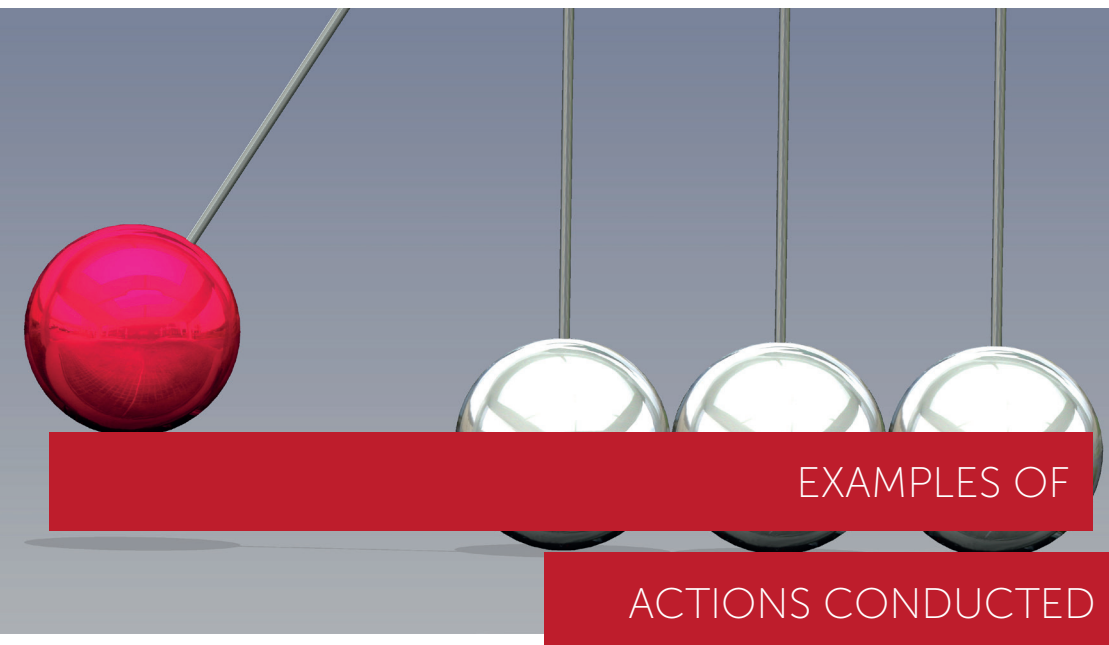
| MEMBERS

RESEARCHERS:

About twenty researchers and professionals in law and finance;

MANAGEMENT:

A team in charge of the internal management of Droit & Croissance and the organisation of its various events.



EXAMPLES OF

ACTIONS CONDUCTED

CORPORATE GOVERNANCE AND FINANCIAL MARKETS

Droit & Croissance regularly discusses with French and European authorities on the issues of investors' rights and is currently preparing several recommendations.

Droit & Croissance contributed to the debate by publishing analytical notes on corporate governance and actively participated in the preparation of the proposed PACTE law in 2017 and 2018 (Action Plan for the Business Growth and Transformation).

Droit & Croissance was also auditioned by the National Assembly and the Senate. Droit & Croissance opposed several proposals, in particular those concerning the broader corporate purpose, highlighting the risks of increased agency costs (i.e. the risk of the increasing misalignment of interests between managers and shareholders).

Members of Droit & Croissance have also published a study highlighting the perverse effects of the Florange Law on the presence of long-term investors in the capital of French companies.

SMART REGULATION

In early 2016, the Smart Regulation Group published a paper *"French Institutions, Innovation, and Growth"*, in partnership with the Fondapol.

This paper aims to highlight the need, in France, for a normative framework better adapted to the new economy: the next wave of innovation, as well as the challenge of competitiveness and productivity will require new rules and the adaptation of pre-existing ones.

This paper has been translated in English and published on the Oxford Business Law Blog website.

In September 2017, a paper extending these developments and emphasizing the legal tools available to public authorities or in need of development was issued to include the latest advances in behavioural and experimental economics.

Its aim was to encourage the creation of norms better adapted – and more adaptable – to the challenges of the 21st century economy.

The Smart Regulation Team is currently focusing on costs of access to justice and the extraterritoriality of US Law, including its economic consequences in Europe and the rest of the world.

ANTITRUST

The Antitrust group of Droit & Croissance is particularly interested in the crossovers between antitrust law and financial law, having published in particular on the potential anti-competitive effects of the overlapping mandates of directors.

More generally, the Antitrust team strives to explore the major new challenges in the discipline, in particular Antitrust law applied to GAFAs and new digital players, or the transformation of Antitrust law in light of the recent challenges surrounding the emergence of European champions.

INNOVATION

The innovation poles' research activities are structured around the multiple issues facing lawyers and economists today: Antitrust and new technologies, personal data protection, blockchain etc.

The published studies are at the forefront of global research and always recommend public policy reforms for the highest French and European authorities. The researchers and professionals who are members of the innovation pole highlight a multidisciplinary - law, economics, technical sciences, sociology - and comparative approach - Europe, United States, Asia.

CONSULTATION DURING THE INSOLVENCY LAW REFORM

Since its creation in 2012, Droit & Croissance has continuously published several studies calling for an ambitious reform of insolvency law.

Droit & Croissance highlighted that French bankruptcy law had many perverse effects: an increase in the phenomenon of zombie debts, excessive difficulties for companies in distress to finance themselves, and very high rates of relapse by companies following insolvency proceedings.

Recognized for its expertise in bankruptcy law, Droit & Croissance spoke, in July 2016, at the European Commission during a conference on the harmonization of insolvency regimes within the European Union. In December 2016, Droit & Croissance also delivered a presentation on this theme at the European Central Bank.

Droit & Croissance is actively engaged in ongoing discussions to harmonize bankruptcy law in Europe. Droit & Croissance noted with satisfaction that many of the proposals had been incorporated by the European Commission into the draft directive on corporate insolvency.

Droit & Croissance has regular exchanges on this subject with both European Institutions (European Commission and the European Parliament) and French Institutions (Minister of Justice, Minister of the Economy, Prime Minister's Office, and the Presidency).



CURRENT RESEARCH PROJECTS

In 2017, Droit & Croissance conducted several research projects on the following topics:

- The restructuring of sovereign debt;
- Minority shareholder rights in listed companies;
- Accounting standards and non-performing loans;
- The limits of the bank resolution mechanisms;
- The Capital Markets Union;
- Competition law and the digital economy;

In addition, Droit & Croissance and France Stratégie are working together to produce econometric studies to assess the impact of bankruptcy law on the economy.

The research program updated in 2019 also includes:

- Comparison of the practices of long vs. short activism
- Investor protection through the courts and its impact on governance
- The importance of corporate and financial criminal law in the context of the creation of the Capital Markets Union
- The legality of ECB decisions: a critical approach to the ECB's Quantitative Easing
- The actuality of Antitrust law in the light of recent decisions by European authorities
- The GDPR
- The legal framework of ICO
- The predictability of the law and mediation
- The justice reform project
- The extraterritoriality of American law



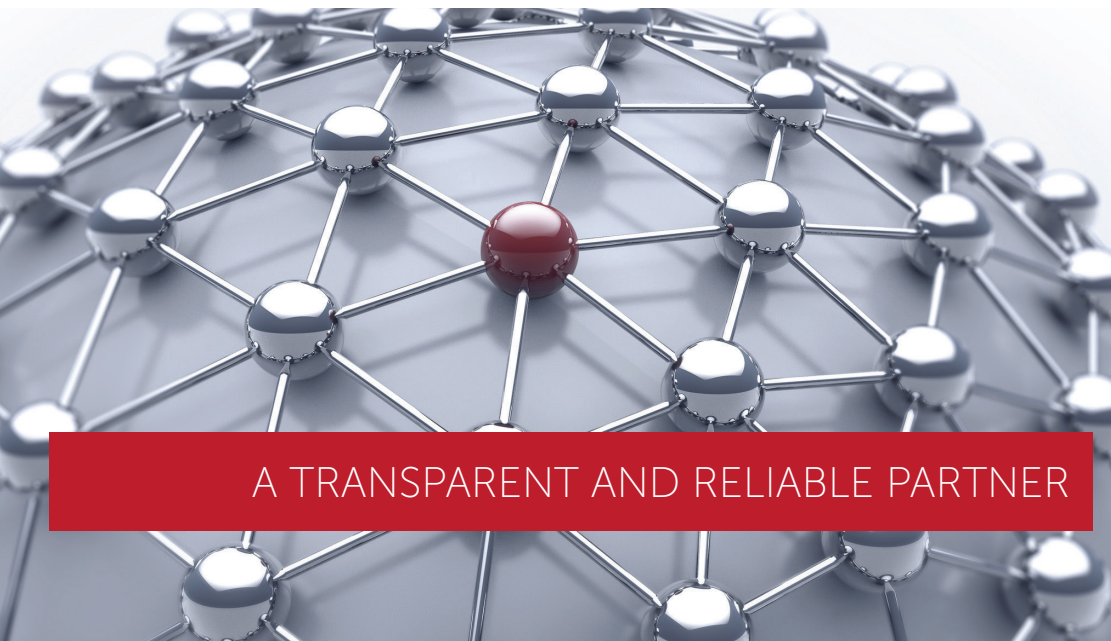
THE CONFERENCES OF DROIT & CROISSANCE

BUSINESS RESTRUCTURING CONFERENCE JANUARY 2020

- A retrospective examination of the different approaches taken by banking supervisors in Europe and the United States during the 2018 crisis - Lessons for the future;
- For an effective European bankruptcy law in the context of the banking and capital markets union: a critical analysis of the new European directive;
- Current challenges: Financial restructuring and bond markets: Are we ready to face the risks posed by new ways of financing companies?

CORPORATE GOVERNANCE AND SHAREHOLDER ENGAGEMENT CONFERENCE: THE NEW NORMAL OCTOBER 2019

- The strengthening of investor engagement policies characterized by a particular sensitivity to governance issues, in particular those of the effectiveness of the functioning of boards of directors in their role as management's counter-expertise;
- The continued development of shareholder engagement, encouraged by the favourable economic and regulatory context, around topics relating to value creation and company strategy, in the context of a dialogue particularly required by active investors with the executive and supervisory organs;
- A more pronounced recognition of ESG risks, in line with observed tendencies and with the impetus of the work of the Task Force on Climate-related Financial Disclosures endorsed by the G20.



A TRANSPARENT AND RELIABLE PARTNER

Droit & Croissance is a research institute supported by the contributions of a variety of partners, individual donors, law firms, corporations, foundations, financial institutions, research institutes, universities and French Grandes Écoles.

These economic and legal actors contribute to discussions and debates aimed at improving the quality of the norm.

It is thanks to their trust and support that Droit & Croissance can operate autonomously and with real independence. Droit & Croissance is driven by strong ethical values, combined with transparent management. The accounts are published annually.

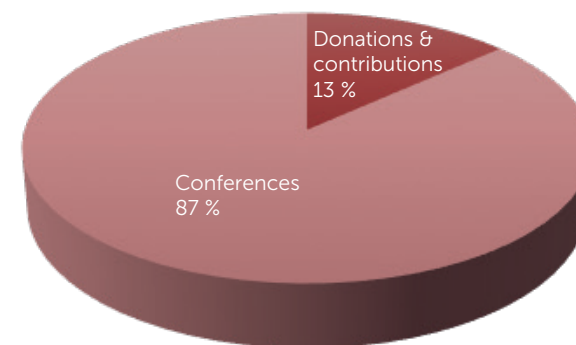
FINANCIAL STATEMENT AS OF DECEMBER 31, 2018

On December 31, 2018, the financial position of Droit & Croissance shows a credit balance of € 13,526.84. Our fundraising amounted to € 56.020,54 for € 62,348.97 of expenses in 2016.

In 2018, D&C's revenues amounted to € 56.020,54, broken down as follows:

- € 48,520.54 collected thanks to the sponsorship of our restructuring and governance conference, representing 87% of total revenues;
- € 7,500 collected in donations and contributions, representing 13% of total revenues;

2018 Revenue Share



THE EXPENSES MAINLY CONCERN:

- The organization of conferences around the subject-areas promoted by the institute;
- The remuneration of authors of articles published by Droit & Croissance;
- Travel expenses incurred during conferences given by its members;
- Translation of articles.

These items are indispensable to increase the awareness, visibility, and legitimacy of Droit & Croissance, both in France and abroad. They also contribute to expanding our network of researchers.

OUTLOOK FOR 2019

Droit & Croissance wishes to continue strengthening its research activities, by increasing the remuneration of its authors, with no significant additional income.

Droit & Croissance intends to publish in a more varied set of fields, in addition to its core framework of expertise in corporate law.

Droit & Croissance will focus on the following themes:

- The quality of corporate governance and shareholders' rights in order to propose legal developments aimed at encouraging a wider distribution of the capital of companies, allowing for an increase in liquidity;
- Sovereign debt restructuring, in support of lessons learned on corporate debt bond restructuring;
- The further examination of the relationship between Antitrust and the digital economy: the development of the digital economy has an obvious impact on antitrust law as we know it today, which will obviously lead to changes in this corpus.



SUPPORT & BE A PARTNER OF

DROIT & CROISSANCE

We offer a forum for public and private partners wishing to make a special, concrete, and coherent contribution to our mission and help France launch the broad conceptual reforms that will bring the country back on track with economic growth.

Becoming a Partner means:

- Promoting an efficient economic law;
- Organizing and participating in events (conferences, dinners etc.) with distinguished speakers;
- Accessing quality legal education on substantive discussions, including via our newsletter;
- Taking advantage of our internal training sessions;
- Exchanging within our rich and diverse network of young, talented graduates, as well as experienced professionals in a variety of areas and government offices.

To strengthen our independence, consolidate our influence, and achieve our mission of fostering economic growth in France, Droit & Croissance needs corporate and individual benefactors.

Droit & Croissance regularly invites our donors to participate in its events and to broaden its intellectual reach through the ever-wider dissemination of its publications.

- You are a company, association or organization:

Corporate Partners subject to income or corporate tax are generally eligible to a tax deduction of 60% of their donation (capped at 5 ‰ (five per thousand) of their annual tax-free sales). A tax receipt will be issued by the Institute.

In the case of a donation of € 10 000, a tax cut of € 6 000 is possible, for a final cost after tax cut of € 4 000 to your company.

- You are an individual donor:

Your gift is eligible to a 66% income tax deduction (up to 20% of your taxable income). A tax receipt will be issued by the Institute.

In the case of a donation of € 1,000, a tax cut of € 660 is possible, for a final cost after tax cut of € 340.

- Three ways to make a donation:

By bank check: please send your contact information along with a bank check (in Euros) addressed to: « Droit & Croissance » C/o Institut Louis Bachelier, 28 place de la Bourse, 75002 Paris, France.

By bank transfer : CIC PARIS MARCEAU/ IBAN : FR7630066104810002015020178 - BIC : CMCIFRP

By secure online payment: directly on our website: www.droitetcroissance.fr/partenaires/devenir-partenaire-2/.

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OUR PARTNERS





DROIT ET CROISSANCE
FAIRE DU DROIT UN VECTEUR DE CROISSANCE



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