

**MEDIAN Technologies**  
**A French Société Anonyme with a capital of Euros 502,397,90**  
**Registered office : Les 2 Arcs, 1800 Route des Crêtes**  
**06560 Valbonne**  
**Registration N° 443 676 309 with Grasse Register**  
**(Hereinafter the « Company»)**

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**SHAREHOLDERS' ANNUAL ORDINARY AND EXTRAORDINARY  
GENERAL MEETING DATED 16 JUNE 2016**

**REPORT OF THE BOARD OF DIRECTORS ON EXTRAORDINARY DECISIONS**

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Dear Shareholders,

We have called the Shareholders' General Annual Meeting to inform you on the proposed transactions.

This report completed the Management report of the fiscal year ended on 31 December 2015.

**I. COMPANY'S AFFAIRS**

In 2015, the Company continued the commercialization of its solutions to pharmaceutical companies in clinical trials as well as to institutions such as hospitals, cancer centers and clinics for applications in clinical routine.

The Company's turnover amounted to EUR 3,885,379.

As at 31 December 2015, the Company comprised an average of 54 employees.

The US subsidiary of the Company, MEDIAN TECHNOLOGIES Inc., comprised 9 employees as at 31 December 2015.

During the financial year the turnover of the subsidiary amounted to USD 1,597,777 (i.e. EUR 1,452,470). In comparison with the prior year, the increase in the turnover of MEDIAN Technologies Inc. is due to the introduction in 2014 of a contract for "cost-plus" between the parent company and its subsidiary. Thus, the total turnover in 2015 corresponds to the invoicing of costs to the Company.

In July 2015, the Company realized a share capital increase of a total amount of EUR 82,500 with a share premium of EUR 19,717,500, i.e a total of EUR 19,800,000 by issuance of 1,650,000 new shares of par value of EUR 0.05 and a share premium of EUR 11.95, for a total price per share of EUR 12.

At 31 December 2015, the Company had a cash flow of EUR 30,235,110.

**II. MAJOR DEVELOPMENTS SINCE THE END OF THE FINANCIAL YEAR**

In January 2016, the Company received a notification from the fiscal authorities regarding an audit of its accounts for the financial years 2013 and 2014 in respect of corporate tax and for a period extended to 30 September 2015 in respect of tax on turnover.

### **III. RESOLUTIONS SUBMITTED TO YOUR APPROVAL**

As part of the resolutions presented to you related to the approval of the annual accounts, we submit a number of extraordinary resolutions.

To benefit from the flexibility and responsiveness necessary to conduct at the time and in the manner that will be appropriate, to fundraisers for the development of the Company and to finance its investments, we propose to grant various authorizations to the Board of Directors.

These capital increases appear to be essential to provide the Company with the financial means to cope with planned developments.

Consequently, we submit to your approval resolutions from 18 to 26 on the following points:

18. Authorization to be granted to the Board of Directors to reduce the share capital of the Company by canceling shares held by the Company in accordance with the provisions of Article L. 225-209 of the French commercial Code;
19. Authorization to be given to the Board of Directors to increase the share capital by issuance of shares or securities granting access to the share capital of the Company with preferential subscription right;
20. Authorization to be given to the Board of Directors to increase the share capital of the Company by issuance of shares or securities granting access to the Company's share capital without preferential subscription right in the context of a public offering;
21. Authorization to be given to the Board of Directors for the issuance of shares and convertible bonds without preferential subscription right in the context of offering referred to in Article L.411-2, II of the French financial and monetary Code;
22. Authorization to be given to the Board of Directors for the issuance of shares and/or securities granting access to the Company's share capital without preferential subscription right in accordance with provisions of Article L.225-138 of the French commercial Code;
23. Authorization to be given to the Board of Directors in order to increase the amount to the proposed authorization with or without preferential subscription rights;
24. Authorization to be given to the Board of Directors in order to grant to the beneficiaries it shall identify, in compliance with applicable laws and regulations, existing shares or shares to be issued up to a maximum of 10% of the share capital of the Company pursuant to Articles L. 225-197-1 and seq. of the French Commercial Code, and subject to the adoption of this resolution, cancellation of the authorization granted to the Board of Directors by the Resolution 5 of the Extraordinary General Meeting dated 30 November 2015;
25. Authorization to be given to the Board of Directors to decide a share capital increase reserved to the employees who are participants of a company saving plan (PEE);
26. Cancellation of the authorizations granted to the Board of Directors by the General Shareholders' Meeting dated 18 June 2015;
27. Power for formalities.

#### **1. Authorization to reduce the share capital by cancellation of treasury shares in accordance with the provisions of Article L.225-209 of the French Commercial Code (resolution n°18)**

In this extraordinary resolution, it would be submitted to the General Meeting to authorize the Board of Directors, pursuant to Article L. 225-209 of the French Commercial Code, to acquire shares of the Company.

This authorization is linked to resolution 16 related to the authorization to purchase by the Company its own shares pursuant to Article L. 225-209 of the French Commercial Code.

In this context, the Board of Director would be authorized to proceed, at any time, in one or several times, to the reduction of the share capital of the Company by cancelling, up to 10% of the share capital as of the date of cancellation, shares that the Company would acquire further to an authorization granted by the General Shareholders' Meeting and for periods of eighteen (18) months.

This authorization would be valid for a period of **eighteen (18) months**.

**2. Authorization to be given to the Board of Directors to increase the share capital by issuance of shares or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities granting access to the share capital of the Company with preferential right (resolution n°19)**

Pursuant to this resolution, the General Meeting would be asked to confer to the Board of Directors the power to proceed, on one or more occasions, to capital increases with preferential subscription rights, in France or abroad, in the proportion and at the times that it shall deem fit, in EUROS or in any other currency or monetary unit based on several currencies, by issuing shares for value (excluding preference shares) and/or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities giving access to equity securities to be issued governed by Articles L. 228-91 and seq. of the French Commercial Code, it being specified that the subscription for shares may be made either in cash or by offset against certain debts due and payable on the Company and must be fully paid up upon subscription.

The General Meeting would be asked to set the following limits on the capital increase amounts in the event the Board of Directors uses of this authorization:

- The maximum amount of the total face value of the capital increases that may be authorized to immediately or in the future pursuant to this authorization shall be **EUR 240,000**, this amount being then increased by the issue premium. This maximum amount shall be deducted by the maximum authorized amount set forth in the 23<sup>rd</sup> resolution.
- This maximum authorized amount shall be deducted, if applicable, by the nominal value of additional shares that may be issued in the event of new financial transactions to protect the rights of holders of securities giving access to the share capital,

The General Meeting would be asked to acknowledge that this authorization automatically entails in favor of the holder of securities giving access to Company shares to be issued in the context of this resolution the express waiver by the shareholders of their preferential subscription rights to shares they would have been entitled to by such securities.

This authorization would be granted for a period of **eighteen (18) months**.

If the Board of Directors uses this authorization:

- the issuance(s) shall be reserved in priority to shareholders who may subscribe on an irreducible basis prorated to the number of shares they hold,
- the Board of Directors may, in accordance with Article L.225-133 of the French Commercial Code, allocate the shares not subscribed for on an irreducible basis to shareholders who have subscribed for a number of shares higher than they could subscribe for on a preferential basis, pro-rata to their subscription right and within the limits of their requests,

- in accordance with Article L. 225-134 of the French Commercial Code, if the irreducible subscriptions and, if applicable, excess subscriptions have not covered the whole capital increase, the Board of Directors may use the different options provided by law, in the order of its choice, including offering to the public all or part of the shares or, in the case of securities giving access to share capital, said unsubscribed securities, on the French market and/or abroad and/or on the international market,
- in the event of free allocation or warrants to holders of existing shares, the Board of Directors shall be entitled to decide that the fractional rights are not negotiable and that the corresponding shares will be sold,
- the Board of Directors shall have full powers to implement this authorization, with the option to sub-delegate to the General Manager or, as mutually agreed with him, to one or more Deputy General Managers, under the conditions laid down by law, to implement this authorization, within the limits and under the conditions specified above, in particular to:
  - o set the amount of the issuance or issuances to be carried out pursuant to this authorization and notably set the issue price, dates, time, terms and conditions of subscription, delivery and vesting of securities within the legal or regulatory limits, provided that the price may not be lower than the average closing price of the Company share recorded during the twenty trading days preceding its fixation, less a discount of 20% (the issue price of securities shall be such that the sum received immediately by the Company plus, if applicable, that likely to be subsequently received by the Company may, for each share issued as a result of the issuance of these securities, be at least equal to the amount described above).
  - o set, if applicable, the terms of exercise of rights attached to shares or securities convertible into shares to be issued, determine the exercise of the rights, if any, including conversion, exchange, redemption including by delivery of assets of the Company such as securities already issued by the Company,
  - o collect the subscriptions and the corresponding payments, and record the completion of capital increases to the amount of shares subscribed for and proceed to the related amendments of the By-laws,
  - o at its sole discretion, charge the costs of any capital increases to the amount of the related issue premium(s) and deduct from such amount the sums needed to increase the legal reserve to one tenth of the new share capital after each capital increase,
  - o determine and make all adjustments to take into account the impact of the transactions on the capital of the Company, including a modification of the par value of shares, a capital increase by incorporation of reserves, free allocation shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of the share capital or any other transaction involving equity, and set the terms according to which, if any, the rights of holders of securities giving access to capital may be protected,
  - o suspend, if need be, the exercise of share allocation rights attached to existing securities for a period not to exceed three (3) months,
  - o in general take all steps and complete all formalities required for the issuance, the listing and financing of the securities issued pursuant to this authorization and the exercise of the rights attached thereto.

The Board of Directors when it uses this authorization shall prepare a supplementary report to the next Ordinary General Meeting, as certified by the Statutory Auditors, describing the terms of use this authorization.

**3. Authorization to be given to the Board of Directors to increase the share capital of the Company by issuance of shares or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities granting access to the share capital of the Company without preferential right in the context of a public offering (resolution n°20)**

Pursuant to this resolution, the General Meeting would be asked, under the condition precedent to fulfill the terms of issuance in the context of a public offering,

- To confer powers the Board of Directors to proceed to, on one or more occasions, capital increases with preferential subscription rights through a public offering in France or abroad, in the proportion and within the time it deems fit, either in EUROS or in any other currency or monetary unit based on several currencies, by issuance of shares for value (excluding preference shares), and/or of securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities giving access to equity securities to be issued governed by Articles L.228-91 and seq. of the French Commercial Code, it being specified that the subscription for shares may be made either in cash or by set-off of due, liquid and payable debts on the Company and must be fully paid up upon subscription,
- To set the following limits on the capital increase amounts in the event the Board of Directors uses this authorization:
  - The maximum amount of the total face value of the capital increases that may be made immediately or in the future pursuant to this authorization shall be **EUR 100,000**, this amount being then increased by the issue premium, and within the limits lay down by Article L.225 -136 of the French Commercial Code. This maximum amount shall be deducted by the maximum authorized amount set forth in the 23<sup>rd</sup> resolution,
  - This maximum authorized amount shall be deducted, if applicable, by the nominal amount of additional shares that may be issued, in the event of new financial transactions to protect the rights of holders of securities giving access to share capital,
- To cancel the preferential subscription right of shareholders to securities covered by this resolution,
- To acknowledge that this authorization automatically entails in favor of the holder of securities giving access to Company shares to be issued in the context of this resolution the express waiver by the shareholders of their preferential subscription rights to shares they would have been entitled to by such securities.

This authorization would be valid for a period of **eighteen (18) months**.

The issue price of the securities issued under this authorization will be determined by the Board of Directors in the following conditions:

- a) the share issue price shall not be lower than the average closing price of the Company share recorded during the twenty trading days preceding its fixation, less a discount of 20%,

- b) the issue price of securities shall be such that the sum received immediately by the Company plus, if applicable, that likely to be subsequently received by the Company may, for each share issued as a result of the issuance of these securities, be at least equal to the amount referred to in paragraph a) above,

The Board of Directors shall have full powers to implement this authorization, sub-delegate to the General Manager or, as mutually agreed with him, to one or more Deputy General Managers, under the conditions laid down by law, to implement this authorization, within the limits and under the conditions specified above, in particular to:

- Set the amount of the issuance or issuances that will be carried out pursuant to this authorization and in particular set the issue price (in the setting conditions specified above), date, time, terms and conditions of purchase, delivery and vesting of securities, within the legal or regulatory limits,
- Lay down, if appropriate, the terms of exercise of rights attached to shares or securities convertible into shares to be issued, determine the terms and conditions of the exercise of the rights, if any, in particular conversion, exchange, redemption including by delivery of assets of the Company such as securities already issued by the Company,
- Collect the subscriptions and the corresponding payments, and record the completion of capital increases to the amount of shares subscribed for and proceed to the related amendment of the By-laws,
- At its discretion, charge the costs of any capital increases to the amount of the issue premium(s) and deduct from this amount the sums needed to increase the legal reserve to one tenth of the new capital after each capital increase,
- Determine and make all adjustments to take into account the impact of the transactions on the share capital of the Company, including any modification of the par value of shares, a capital increase by incorporation of reserves, free allocation shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of the capital or any other transaction involving equity, and set the terms according to which, the rights of the holders of securities giving access to capital may be protected,
- Suspend, if necessary, the exercise of share allocation rights attached to existing securities for a period not to exceed three (3) months,
- In general take all steps and complete all formalities required for the issuance, the listing and financing of the securities issued pursuant to this authorization and to the exercise of the rights attached thereto.

If the subscriptions do not cover the total number of issued shares, the Board of Directors may limit the amount of the transaction to the amount of subscriptions, provided that it reaches at least three quarters of the issuance decided.

When the Board of Directors shall use this authorization, it shall prepare an additional report to the next Annual General Meeting, as certified by the Statutory Auditors and describing the terms of use this authorization.

**4. Authorization to be given to the Board of Directors for the issuance of shares and securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities granting access to the share capital of**

**the Company without preferential right in the context of offering referred to in Article L.411-2, II of the French financial and monetary Code (resolution n°21)**

Pursuant to this resolution, the General Meeting would be asked to authorize the Board of Directors, for a period of **eighteen (18) months** from the date of this Meeting, to decide the issuance, in France or abroad, by way of offers referred to in Section II of Article L.411-2 of the French Monetary and Financial Code (i) shares of the Company and (ii) securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities giving access to existing shares or new shares of the Company, which may be subscribed for in cash or by offsetting receivables.

The issuance of preference shares and of securities giving immediate or future access to preference shares will be specifically excluded. The offers referred to in Section II of Article L.411-2 of the French Monetary and Financial Code, carried out pursuant to this resolution may be associated, in the context of the same issuance or of several issuances made simultaneously to public offerings.

The General Meeting would be asked to cancel the preferential subscription right of shareholders to these shares and securities to be issued by means of offers referred to in Section II of Article L.411-2 of the French Monetary and Financial Code as provided for in this resolution.

The maximum amount of the total face value of the capital increases, that may be made immediately or in the future pursuant to this authorization, will be limited pursuant to the provisions of **Article L. 225-136 3°) of the French Commercial Code**. This maximum amount shall be deducted by the maximum authorized amount set forth in the 23<sup>rd</sup> resolution.

The nominal amount of shares that may be issued in respect of adjustments made to protect the rights of holders of securities giving access to shares shall be added to the maximum authorized amount set by this resolution.

The securities giving access to shares so issued may consist of debt securities or be associated with the issuance of such securities or allow their issuance as intermediate securities. They may take the form of subordinated or non-subordinated securities with a determined or undetermined term, and be issued in EUROS or in foreign currencies or in any monetary units established by reference to several currencies.

The nominal amount of debt securities issued may not exceed **EUR 2,000,000** or against value on the date of the issuance decision, provided that this amount does not include the redemption premiums above par value if it was so intended.

The duration of the loans (giving access to shares of the Company) other than those represented by perpetual securities, may not exceed fifty (50) years. The loans (giving access to shares of the Company) may bear interest at a fixed and/or a variable rate or capitalization rate, and be reimbursed, with or without premium, or depreciation, whereas securities may also be repurchased on the stock market or offered for purchase or exchange by the Company.

The securities issued may, if appropriate, be accompanied by warrants giving right to the allocation, acquisition or subscription of bonds or other securities representing debt instruments or include an option for the Company to issue debt securities (fungible or non-fungible) in payment of interest whose disbursement has been suspended by the Company.

If the subscriptions do not cover the total number of issued shares, the Board of Directors may limit the amount of the transaction to the amount of subscriptions, provided that it reaches at least three quarters of the issuance decided.

This authorization would entail the waiver by shareholders of their preferential subscription rights to shares of the Company to which the securities to be issued pursuant to this authorization may give right.

The Board of Directors should determine the characteristics, amount and terms of any issuance and of the securities issued.

In particular, it should determine the category of securities issued and set their subscription price, the date may be retroactive and, if applicable, the duration or manner of exercise of rights attached to the new shares, if any, rights to conversion, exchange, redemption, including by delivery of assets such as securities already issued by the Company; it being specified that:

- a) The share issue price shall not be lower than the average closing price of the Company share recorded during the twenty trading days preceding its fixation, less a discount of 20%.
- b) The issue price of securities shall be such that the sum received immediately by the Company plus, if applicable, that likely to be subsequently received by the Company may, for each share issued as a result of the issuance of these securities, be at least equal to the amount referred to in paragraph "a)" above.

The Board of Directors may, if need be, amend the terms of the securities issued or to be issued under this resolution during the life of the securities and in compliance with applicable formalities.

The Board of Directors may also, if need be, make any adjustments to take into account the impact of the transactions on the share capital of the company, especially in the event of any change in the par value, any capital increase by incorporation of reserves, any allocation of free shares, any stock split or reverse stock split, any distribution of reserves or of any other assets, amortization of capital, or any other capital transaction (including potential changes in the control of the Company) or equity transaction, and fix the terms according to which, if need be, the rights of holders of securities giving access to capital shall be protected.

The Board of Directors should have full powers to implement this resolution, sub-delegate to the General Manager or, as mutually agreed with him, to one or more Deputy General Managers, under the conditions laid down by law, to implement this authorization, including by entering into any agreement for this purpose, especially to successfully complete any issuance, and to proceed to, on one or more occasions, and in such amounts and at the time it deems appropriate, the aforementioned issuances, as well as, if need be, to delay such, acknowledge its completion and proceed to the related amendments of the By-laws, and to carry out all formalities and declarations and request all authorizations that may be necessary for the completion and the proper performance of the issuances, and the admission to trading on the stock market of the new shares.

The Board of Directors may, at its sole discretion, charge the costs of any capital increases to the amount of issue premium(s) and deduct from this amount the sums needed to increase the legal reserve to a tenth of the new capital after each capital increase,

Suspend, if need be, the exercise of the share allocation rights attached to the existing securities for a period not to exceed three (3) months.

Finally, when the Board of Directors should use this authorization, it should prepare an additional report to the next Ordinary General Meeting, as certified by the Statutory Auditors and describing the terms of use this authorization.

- 5. Authorization to be given to the Board of Directors to increase the share capital by issuance of shares and/or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities granting access**

**to the share capital of the Company without preferential right for the benefit of a category of persons in accordance with the provisions of Article L.225-138 of the French commercial Code (resolution n°22)**

Pursuant to this resolution, the General Meeting would be asked to authorize the Board of Directors proceed to capital increases in France or abroad, in one or more times, in the proportion and at the times it deems appropriate, either in Euros or any other currency or monetary unit based on several currencies by issuing shares (excluding preference shares) and/or securities that are equity securities giving access to other shares or entitling the allocation of debt securities and/or securities giving access to equity securities to BE issued governed by Articles L. 228-91 and seq. of the French Commercial Code, it being specified that subscriptions for shares or other securities may be made either in cash or by offsetting debts due and payable on the Company and must be fully paid up upon subscription.

The General Meeting would be asked to set the following limits on the amounts of capital increases that may be carried out by the Board of Directors of this authorization:

- The maximum amount of the total face value of the capital increases that may be made immediately or in the future pursuant to this authorization shall be **EUR 100,000**, this amount being then increased by the issue premium. This maximum amount shall be deducted by the maximum authorized amount set forth in the 23<sup>rd</sup> resolution
- This maximum authorized amount shall be deducted, if applicable, by the nominal amount of the additional shares to be issued, in the event of new financial transactions to protect the rights of holders of securities giving access to the capital.

The General Meeting would be asked to cancel the preferential subscription right of shareholders to securities covered by this authorization in favor of any investment funds and/or French or foreign venture capital firm (FPCI, FCPR, PIF, SCR, Limited Partnership), that wishes to subscribe for a minimum amount of **EUR 500,000** premium included.

This authorization implies for the benefit of holders of securities convertible into shares of the Company to be issued under this resolution, the full and express waiver by shareholders of their preferential subscription rights to shares to which such securities will give right to.

The issue price of the securities issued under this authorization will be set by the Board of Directors under the following conditions:

- a) the share issue price shall not be lower than the average closing price of the Company share recorded during the twenty trading days preceding its fixation, less a discount of twenty percent (20%),
- b) the issue price of securities shall be such that the sum received immediately by the Company plus, if applicable, that likely to be subsequently received by the Company may, for each share issued as a result of the issuance of these securities, be at least equal to the amount referred to in paragraph "a)" above.

This authorization will be given for a period of **eighteen (18) months**.

The Board of Directors shall have full powers to implement this authorization, sub-delegate to the General Manager or, as mutually agreed with him, to one or more General Managers, under the conditions laid down by law, in order to implement this authorization, within the limits and under the conditions specified above, in particular to:

- Determine, within the category specified above, the list of beneficiaries who may subscribe for securities issued and the number of shares to be allocated to each of them, within the limits mentioned above.
- Set the amount of the issuance or issuances that will be carried out pursuant to this authorization and notably set the issue price (in the setting conditions specified above), date, time, terms and conditions of purchase, delivery and vesting of securities, within the legal or regulatory limits,
- Lay down, if appropriate, the terms of exercise of rights attached to shares or securities convertible into shares to be issued, determine the exercise of the rights, if any, including conversion, exchange, redemption including by delivery of assets of the Company such as securities already issued by the Company,
- Collect the subscriptions and the corresponding payments, and record the completion of capital increases to the amount of shares subscribed and proceed to the relevant amendment of the By-laws,
- At its own discretion, charge the costs of any capital increases to the amount of the issue premium(s) and deduct from this amount the sums needed to increase the legal reserve to one tenth of the new capital after each capital increase,
- Determine and make all adjustments to take into account the impact of transactions on the capital of the Company, including modification of the par value of the shares, a capital increase by incorporation of reserves, free allocation shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of capital or any other transaction involving equity, and set the terms according to which, if any, the rights of holders of securities giving access to capital shall be protected,
- Suspend, if need be, the exercise of share allocation rights attached to existing securities for a period not to exceed three (3) months
- In general take all steps and complete all formalities required for the issuance, listing and financing of the securities issued pursuant to this authorization and the exercise of the rights attached thereto.

If the subscriptions do not cover the total number of issued shares, the Board of Directors may limit the amount of the transaction to the amount of subscriptions, provided that it reaches at least three-quarters of the issue decided.

Finally, when the Board of Directors should use this authorization, it should prepare an additional report to the next Ordinary General Meeting, as certified by the Statutory Auditors and describing the terms of use this authorization.

**6. Authorization to be given to the Board of Directors in order to increase the number of shares to be issued in the event of an increase in capital with or without preferential rights (resolution n°23)**

Pursuant to this resolution, the General Meeting would be asked to delegate to the Board of Directors its powers to, by authorization to the General Manager or, as mutually agreed with him, to one or more General Managers, under the conditions laid down by the law, to implement this authorization, in order to increase the number of shares to be issued in case of increase of the share capital of the Company with or without preferential subscription rights, at the same price as that used for the initial issuance, within thirty (30) days of the closing of the subscription and within the limit of fifteen percent (15%) of the initial issuance resulting from the authorizations used resulting from Resolutions 19 to 22. Moreover, it is specified that the maximum nominal amount of capital increases that may be realized immediately or in the future by virtue of the authorizations mentioned in resolutions from 19 to 22 is set at **EUR 450,000** without premium.

This authorization will be given for a period of **eighteen (18) months**.

**7. Authorization to be given to the Board of Directors in order to grant to the beneficiaries it shall identify, in compliance with applicable laws and regulations, existing shares or shares to be issued up to a maximum of 10% of the share capital of the Company pursuant to Articles L. 225-197-1 and seq. of the French Commercial Code, and subject to the adoption of this resolution, cancelation of the authorization granted to the Board of Directors by the Resolution 5 of the Extraordinary General Meeting dated 30 November 2015 (resolution n°24)**

The Chairman recalled that the Extraordinary and Ordinary Shareholders' Meeting dated 30 November 2015 granted the Board of Directors with an authorization to allocate, in one or more times, existing free shares of the Company or free shares to be issued by the Company to the beneficiaries as referred to in Articles L 225-197-1 and 225-197-2 of the French Commercial Code.

Pursuant to discussion between members of the Board of Directors and to the more flexible possibilities offered by the *Law n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques*, the said « *Loi Macron* » applicable to the duration of the vesting and the holding period, the Chairman proposed to cancel this authorization and to adopt the authorization below.

The total number of free shares granted may not exceed **10% of the share capital** at the date of their allocation by the Board of Directors.

The allocation of such shares to the beneficiaries thereof will be final after a minimum vesting period of one (1) year. However, in the event of the beneficiary's invalidity, pursuant to the categories as defined by applicable law, the allocation of shares shall be final before the expiry of the term as defined in this paragraph.

The Board of Directors will determine the length of the period during when the beneficiaries shall have the obligation to hold the free shares so that the total duration of the vesting and the holding period shall not be less than two (2) years, such period commencing upon the final allocation of shares. However, in the event of the beneficiary's invalidity, pursuant to the categories as defined by applicable law, the transfer of shares shall be authorized and free before the expiry of the term as defined in this paragraph.

The Board of Directors shall determine the beneficiaries of such free shares, as well as their terms and, where applicable, the criteria for the awarding. Subject to compliance with the minimum vesting period and the cumulated duration of the vesting and holding period mentioned above, the Board of Directors may freely determine the duration of these said periods.

The Board of Directors may, if necessary, during the vesting period, proceed to any adjustments to the number of shares related to any changes on the Company share capital in order to safeguard the rights of the beneficiaries of free shares.

This authorization entails, in case of allocation of such shares to be issued in favor of the beneficiaries of such share allocations, renunciation by shareholders of their preferential subscription rights to ordinary shares to be issued in the course of the final allocation of free shares, and of all their rights to ordinary shares allocated under this authorization.

The corresponding capital increase shall be final just because of the final allocation of shares to the beneficiaries.

The General Meeting shall be asked to decide in accordance with Article L. 225-197-1 of the French Commercial Code, that this present authorization is valid for **thirty-eight (38) months** as from this General Meeting.

The Board of Directors shall have all powers to implement such authorization.

The General Meeting shall be asked to grant all of its powers to the Board of Directors, with an option to sub-delegate these powers, within the legal limits, to implement this authorization, including the powers to:

- Determine the identity of the beneficiaries, or the category or categories of beneficiaries of the shares allocation and the number of shares allocated to each of them;
- Determine the length of the vesting and holding period;
- Set the terms and conditions and, where applicable, the criteria pursuant to which the shares shall be allocated;
- Provide for the possibility to provisionally suspend the allocation rights as provided for by law and applicable regulations;
- Duly record the final allotment dates and the dates from which the shares will be freely transferable, pursuant to this present resolution and subject to legal restrictions;
- Enter the free shares in a registered account in the shareholder's name, mentioning, where appropriate, that they are locked up and the term of the lock-up period, and release the shares in any circumstances under which this resolution or the applicable regulation allow such releasing;
- Provide for the right to, if it deems necessary, adjust the number of free shares required in order to safeguard the rights of beneficiaries under the conditions it shall determine;
- In the case of an issuance of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium of its choice, the amounts needed to fully pay-up such shares, duly record the completion of the capital increase thereunder, and make the necessary amendments to the bylaws, and
- In general perform any and all required acts and formalities and take all the necessary steps and measures in accordance with all enforceable laws and regulations.

If the authorization is adopted, the authorization granted by the Extraordinary and Ordinary Shareholders' Meeting on 30 November 2015 will be canceled.

**8. Authorization to be given to the Board of Directors to decide a share capital increase reserved to the employees of the Company (resolution n°25)**

Article L. 225-129-6 of the French Commercial Code provides that in any decision to increase the share capital by cash contribution, unless it results from a prior issuance of securities giving access to capital, the Extraordinary General Meeting is to vote on a draft resolution providing on the realization of a capital increase in accordance with Articles L. 3332-18 to L. 3332-24 of the French Labor Code, where the company has employees.

Further to this requirement to include such a resolution on the agenda, we intend to inform you that the conditions of the collective employee shareholding do not seem so far met and that accordingly this resolution should be rejected.

**9. Cancellation of the authorizations granted to the Board of Directors by the General Shareholders' Meeting dated 18 June 2015 (resolution n°26)**

Given the new proposed resolutions under this resolution the Meeting shall be asked to cancel the unused portion of each of the authorizations granted by the Extraordinary General Meeting held on 18 June 2015 in resolutions from 18 to 23.

**10. Powers for formalities (resolution n°27)**

This resolution covers the usual powers granted for formalities.

\* \* \*

We propose to grant all powers to the bearer of a copy or extract of the minutes herein to proceed with the legal formalities.

The impact of the above capital increases on the equity share held by each of the Company's current shareholders is presented in the table attached to this report.

The impact of capital increases delegated to the Board on the share of equity held by each of the existing shareholders of the Company will be presented in the annex or complementary report(s) that the Board of Directors will upon using such authorizations.

We now invite you to listen to the reading of the various reports of your Auditor.

If you agree with the proposals submitted to you, we suggest that you confirm this by your vote.

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**The Board of Directors**