

MEDIAN TECHNOLOGIES
A French *Société anonyme* with a share capital of Euros 499,141.50
Les 2 Arcs, 1800 Route des Crêtes, 06560 Valbonne
RCS Grasse N° 443 676 309
(Hereinafter the “Company”)

ORDINARY AND EXTRAORDINARY GENERAL MEETING
DATED 30 NOVEMBER 2015

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We have called an Ordinary and Extraordinary General Meeting in order to present to you the operations below.

The Ordinary and Extraordinary General Meeting is convened to rule on the following items:

- Report of the Board of Directors;
- **Annual Ordinary General Meeting:**
 1. Appointment of a new director;
 2. Acknowledgment of the reconstitution of the equity capital;
 3. Acknowledgment of the negative retained earnings;
 4. Offset of the negative retained earnings;
- **Extraordinary General Meeting:**
 5. Proposed 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, subsequent cancellation of the authorization given to the Board of Directors by Resolution N. 24 of the Shareholders' General Meeting dated 18 June 2015;
 6. Powers for formalities.

1. APPOINTMENT OF A NEW DIRECTOR

We remind you that, under the share capital increase decided on 2 July 2015 and completed on 15 July 2015, the Board Members and some shareholders entered into a Voting Agreement on 2 July 2015 pursuant to which they undertook to convene prior to 30 November 2015 a General Shareholders' Meeting in order to appoint a representative of ABINGWORTH LLP as director of the Company, and as long as ABINGWORTH LLP holds at least 5% of the share capital of the Company.

Consequently, we propose to appoint as director of the Company:

- Mr. Tim HAINES, a British citizen, born on 29 August 1957 in United Kingdom, residing at 30 Church Lane, Hampton Poyle, OX5 2QF, Oxon, United Kingdom.

Pursuant to the bylaws, this appointment will last three (3) years, i.e. until the General Meeting to be convened in 2018 to approve the financial year ending on 31 December 2017.

Mr. Tim HAINES holds a director position in the following companies:

- Chroma Therapeutics Limited From, since 23 February 2007,
- SIW Holdings Limited, since 22 February 2008,
- Abingworth LLP, since 06 April 2008,
- Kspine Inc (formerly Vertech Inc), since 09 June 2008,
- Lombard Medical Technologies PLC, since 31 May 2011,
- Pixium Vision SA, since 27 April 2012,
- Sientra Inc, since 8 October 2013,
- Proteon Therapeutics Inc, since 1st May 2014.

We hereby request you to approve this appointment. Where applicable, the appointment of this director, as provided for in the agenda, will be the subject of a debate followed by a vote of the shareholders, after examining the applications that will be presented before you.

2. ACKNOWLEDGMENT OF THE RECONSTITUTION OF THE EQUITY CAPITAL

We hereby remind you that, in approving the accounts closed on 31 December 2013, the Shareholders' General Meeting dated 12 June 2014 had acknowledged in Resolution No.22 that the Company equity had fallen under half the share capital.

Further to the share capital increases proceeded to on 29 September, 2014 in the amount of EUR 19,999,998 (issue premium included) and on 2 July 2015 in the amount of EUR 19,800,000 (issue premium included), we are requesting that you acknowledge the reconstitution of the equity capital of the Company up to over half of the share capital.

3. ACKNOWLEDGMENT AND OFFSET OF THE NEGATIVE RETAINED EARNING

We hereby point out that the accounts closed on 31 December 2014 and approved by the Shareholders' Annual General Meeting dated 18 June 2015 reported negative retained earnings amounting to EUR. (35,642,171.34).

In order to clear this negative position, we hereby propose to allocate EUR 35,642,171.34 taken from the "Share premium" to the "Retained earnings", by which allocation the "Retained earnings" shall be taken from EUR (35,642,171.34) to EUR 0.

Therefore, after this allocation, the "Retained earnings" will amount to EUR 0.

At the Shareholders' General Meeting this allocation to offset the "Negative Retained earnings" to the vote of the Shareholders' General Meeting shall be submitted to your approval.

4. **PROPOSED 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**

We hereby remind you that the Shareholders' General Meeting dated 18 June 2015 granted the Board of Directors 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 the law applicable as of 18 June 2015.

Pursuant to the publication of *the Law n° 2015-990 du 6 août 2015 pour la croissance, l'activité et l'égalité des chances économiques*, the said « Loi Macron » and to the amendments related to the allocation of free shares, we propose to cancel the authorization granted by the Shareholders' General Meeting dated 18 June 2015 and to adopt the authorization below.

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

The General Meeting shall be asked to decide that 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 General Meeting shall be asked to resolve that the beneficiaries shall have the obligation to hold the free shares for a minimum of one (1) year, 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 minimum 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;
- 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.

5. UPDATE OF THE IMPACT OF THE CAPITAL INCREASE DECIDED ON 2ND JULY 2015 ON THE HOLDER OF SHARES AND SECURITIES GIVING ACCESS TO THE SHARE CAPITAL OF THE COMPANY AND ON THE SHARE IN EQUITY

Pursuant to the share capital increase decided on 2nd July 2015 and completed on 15 July 2015 by the Board of Directors, we have presented you a calculation on the impact of the issuance of new shares on the holder of shares and securities giving access to the share capital of the Company and on the share in equity of the Company based on the financial statements for the year ended on 31 December 2014 and on the number shares composing the share capital of the Company on that date, being noted that the intermediate statements were not finalized at that time.

You will detail in Appendix I an updated of this calculation as of 30 June 2015.

These calculations are theoretical elements which are given for information purposes only; they do not anticipate the future development of the Company equity and/or of the share price. These calculations are made on the basis of the theoretical impact on the equity capital increase.

We hope that you will adopt all the above resolutions.

Mr. Fredrik BRAG
Chairman

APPENDIX 1

**UPDATED IMPACT OF THE CAPITAL INCREASE DECIDED ON 2ND JULY 2015 ON THE
HOLDER OF SHARES AND SECURITIES GIVING ACCESS TO THE SHARE CAPITAL
OF THE COMPANY AND ON THE SHARE IN EQUITY**