

## **DBV TECHNOLOGIES**

Limited company with capital stock of €2,464,882.80  
Registered office: 177-181, avenue Pierre Brossolette – 92120 Montrouge  
441 772 522 Nanterre Commercial Registry

### **BOARD OF DIRECTOR'S REPORT ON THE COMBINED SHAREHOLDERS' MEETING OF JUNE 15, 2017**

#### **1. Approval of the individual and consolidated financial statements for the year ended December 31, 2016** *(first and second resolutions)*

We ask you to approve the individual financial statements for the year ended December 31, 2016, resulting in a loss of € 81 109 367.88 as well as the consolidated financial statements for the year ended December 31, 2016 as they were presented, which report a loss of € 114 530 959.91.

#### **2. Appropriation of earnings for the year** *(third resolution)*

The assignment of DBV TECHNOLOGIES' ("the Company") earnings as proposed to you complies with the law and our bylaws.

We suggest that you assign the entire loss for the year ended 2016 amounting to € 81 109 367.88, to the Carry Forward account, resulting in a retained loss of €(83,335,806.00) to € (164 445 174).

Pursuant to the provisions of article 243 bis of the General Tax Code, please note that no distribution of dividends, or income, occurred over the past three years.

#### **3. Approval of regulated agreements** *(fourth resolution)*

To begin, we wish to remind you that only the new agreements concluded over the course of the last fiscal year and at the beginning of the current year are submitted to this Meeting.

We ask that you approve the new agreements concluded in 2016 and early 2017 referred to in article L. 225-38 of the Commercial Code duly authorized by the Board of Directors.

These agreements are the following:

- **Modification of Mr. David Schilansky's employment contract**

The Company proceeded with the signing of an addendum to Mr. David SCHILANSKY's employment contract in order to modify the fixed and variable elements of his compensation:

With respect to fiscal 2017:

- Fixed compensation of €284,004.00,
- Target variable compensation in the amount of €142,002.00 (equal to 50% of its fixed compensation) which would be subject to the performance conditions set by our Board of Directors.

This modification was made in order to offer the Chief Operating Officer<sup>1</sup> motivating compensation for a favorable development of the Company.

This agreement was authorized by the Board of Directors on December 9, 2016.

- **Service contract with Dan Soland**

The Company proceeded with the signing of a service contract with Dan Soland for business strategy consultation with Company management, for four half-day sessions per year for the amount of €45,000.

This contract was signed as part of the Company's commercial expansion in the United States as it is in the Company's interest to receive business strategy consulting from Dan Soland due to his significant experience in the field.

It is to be noted that in view of the minor nature of this service, Mr. Dan Soland remains an independent Company director.

The signing of this service contract was authorized by the Board of Directors on December 9, 2016.

- **Modification of Mr. Laurent Martin's employment contract**

The Company proceeded with the signing of an addendum to Mr. Laurent Martin's employment contract in order to change the elements of his compensation as follows:

- Fixed compensation of €165,957.59
- Target variable compensation in the amount of €66,383.04 which would be subject to the performance conditions set by our Board of Directors.

This modification was made in order to offer the Executive Vice President motivating compensation for favorable development of the Company.

This agreement was authorized by the Board of Directors on March 14, 2017.

They are also presented in the related special report of Statutory Auditors which will be presented to you at the General Meeting and which also appear in the Reference Document available on the Company website.

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<sup>1</sup> Also, referred to as Executive Vice President.

Furthermore, in accordance with article L.225 - 102-1 of the Commercial Code, it is specified that no agreement has been made between, on the one hand, the Chairman & Chief Executive Officer, one of the Executive Vice Presidents, one of the directors or one of the shareholders with a portion of voting rights greater than 10% and, on the other, a direct or indirect subsidiary.

In addition, we remind you of the regulated commitment concluded and authorized in 2016 already approved by the Shareholders' Meeting on June 21, 2016, namely:

- **Dismissal or non-renewal compensation for the Chairman & Chief Executive Officer, Mr. Pierre-Henri BENHAMOU (Agreement authorized by the Board of directors on April 6, 2016):**

In the event of the termination of Mr. Pierre-Henri BENHAMOU's functions as Chairman & Chief Executive Officer, regardless of the reason, except in the case of dismissal or non-renewal that Mr. Pierre-Henri BENHAMOU did not consent to, pursuant to a violation of the law or of the Company bylaws or serious misconduct or gross negligence, your Company will have to pay him compensation whose gross amount will be equal to the sum of the gross compensation that he will have been paid by your Company, in any capacity whatsoever, over the 18 months prior to his departure if at least two of the three performance criteria defined by the Board of Directors are met at the departure date.

This agreement did not result in execution during the past year.

Lastly, we wish to specify that no agreement concluded and authorized during the fiscal years prior to 2016 has been acted on during the last year, it being specified that Mr. David Schilansky's work contract and Mr. Pierre-Henri Benhamou's severance package, prior to 2016, have been modified in 2016 and, thus, are presented in the previous paragraphs.

#### **4. Appointments of the statutory and alternate auditors (*fifth and sixth resolutions*)**

We remind you that the appointments of Statutory Auditor held by Deloitte & associés and of alternate Statutory Auditor held by the firm of BEAS expire at the end of the next Meeting called to approve the financial statements for the year ended December 31, 2016.

Upon recommendation by the Audit Committee, the Board of Directors recommends the renewal of the assignment of Statutory Auditor held by Deloitte & associés for a period of six years, i.e. until the end of the ordinary shareholders' meeting to be held in 2023 and called to approve the financial statements for the year ended December 31, 2022.

Moreover, we remind you that Law no. 2016-1691 dated December 9, 2016 (referred to as Sapin II) has withdrawn the requirement to appoint an alternate Statutory Auditor in the case that the Statutory Auditor is not a natural person or legal entity or a single-member company.

Accordingly, the Company has no obligation to renew or appoint an alternate Statutory Auditor.

Therefore, we recommend that you not renew or replace BEAS as alternate Statutory Auditor.

## **5. Appointment of director (seventh resolution)**

In the context of the rapid development of the Company, the Board of Directors has put forward the need to call on new skills in order to better support the top management team during the launch of its principal product, if approved by regulatory authorities.

In addition, we remind you that as a result of this Shareholders' meeting, the discrepancy between the members of each sex in the Board of Directors cannot be greater than two, in accordance with article L.225-18-1 of the Commercial Code.

We recommend that you appoint Ms. Julie O'Neill as director for a period of two years, until the end of the Meeting held in the year 2019 called to approve the financial statements for the previous year, in addition to the current members.

### **Experience, expertise, ability**

According to article R.225-83 of the Commercial Code, the following details are specified:

Ms. Julie O'Neill is Executive Vice President, Global Operations of ALEXION. Based out of Dublin, Ireland, Ms. O'Neill is responsible for global manufacturing operations, as well as Alexion's complete supply chain and quality operations. Before joining ALEXION, she was Vice President of Operations and General Manager for Ireland at GILEAD SCIENCES. While there, she established the company's Irish subsidiary and plant operations and managed ongoing business expansion and operations, including supply chain manufacturing, packaging, quality control and assurance, and distribution. Prior to these roles, Ms. O'Neill held leadership positions in operations, manufacturing and quality functions at BURNIL PHARMACIES and HELSINN BIREX PHARMACEUTICALS. Presently, she serves as the Chairperson for the National Standards Authority of Ireland and is a member of the Governing Body of University College Cork. Ms. O'Neill brings considerable leadership experience to DBV Technologies and considerable expertise in Manufacturing and CMC matters (« *Chemistry, Manufacturing and Control* »), at a crucial time for the Company.

The Board of Directors would then go from seven to eight members.

### **Independence and parity**

We wish to specify that the Board of Directors considers that Ms. O'Neill can qualify as independent in light of the criteria for independence of the Middlednext Code, used by the Company as a reference code for corporate governance. In this respect, it is particularly specified that Ms. O'Neill has no business relationship with the Company and its subsidiary.

## **6. Attendance fees (eighth resolution)**

On the recommendation of the Compensation Committee, the Board of Directors recommends you increase the attendance fees budget allocated to the Directors from €350,000.00 to

€600,000.00 for the current year and until a new decision.

This offer of reevaluating the monetary portfolio is put forward to yourselves in order to guarantee the competitiveness of the Company in regards to the market practices in the United States in the biotech sector.

This new portfolio will allow the company to be better aligned with American standards and to take into account market practices for similar companies, that is to say ones the same size, at the same developmental stage (phase III) and operating in an American Sarbanes Oxley type of environment.

**7. Approval of the principles and criteria for determination, distribution and allocation of fixed, variable and extraordinary components making up to total compensation and benefits attributable to the Chairman & Chief Executive Officer and Executive Vice Presidents (*ninth to eleventh resolutions*)**

The ninth to eleventh resolutions are submitted to you pursuant to the Law of December 9, 2016, referred to as Sapin II, article 161 of which establishes a new article L. 225-37-2 of the Commercial Code providing for an *ex ante* say-on-pay in 2017 (and *ex post* starting in 2018).

In fact, the principles and criteria of determination, distribution and allocation of the fixed, variable and extraordinary components of the total compensation and benefits of any kind, due to the Chairman & Chief Executive Officer and Executive Vice Presidents, because of their assignment, are the subject of a resolution submitted at least annually for the approval of the annual shareholders' meeting.

These are presented in a report attached to the Board's report to the Meeting.

**8. Proposal to renew the authorization for the implementation of the share buyback program (*twelfth resolution*) and concerning the reduction of capital by cancellation of treasury shares (*thirteenth resolution*)**

We recommend that, according to the twelfth resolution, you confer upon the Board of Directors and for a period of eighteen months, the necessary authority to proceed with the buy back, under the terms of resolution twelve, on one or more occasions and at the times of its choosing, company shares up to the limit of 10% of the number of shares comprising the capital stock, adjusted, if necessary, to take into account the potential increase or reduction of capital transactions during the course of the program.

This authorization would end the authorization granted to the Board of Directors by the Shareholders' Meeting of June 21, 2016 in its Fifteenth Ordinary Resolution.

The acquisitions could be performed in order to:

- Ensure the coordination of the secondary market or liquidity of DBV TECHNOLOGIES shares through an investment service provider through a liquidity contract in accordance with the AMAFI's ethics charter allowed by legislation, it being specified that within this context, the number of shares taken into account to calculate the aforementioned limit is the number of shares purchased, less the number of shares resold,

- Hold the purchased shares and ultimately return them for future exchange or as payment for potential external growth transactions,
- Ensure the coverage of share option plans and/or free share allocation plans (or similar plans) for employees and/or the group's officers as well as all allocations of shares arising under Company or group savings plan (or similar plans), employee profit-sharing plans and/or any other forms of share allocation arrangement for the group's employees and/or corporate officers,
- Ensure the coverage of securities giving access to the Company shares pursuant to current regulations,
- Proceed with the cancellation of the shares acquired, subject to the authorization to be granted by this Shareholders' Meeting in its thirteenth extraordinary resolution.

These share purchases could be executed by any means, including the purchase of blocks of shares, at the times deemed appropriate by the Board of Directors; it is specified that the Board may not, without the prior approval of the Shareholders' Meeting, use this authorization during a public offer period initiated by a third party for Company shares, until the end of the offer period.

The company does not intend to use options or derivatives.

We suggest that you set the maximum purchase price at €200.00 per share and, as a result, the maximum amount of the transaction is set at €150,000,000.00.

As a result of the cancellation objective, we ask you to authorize the Board of Directors, for a period of 24 months, to cancel, at its sole discretion, on one or more occasions, up to the limit of 10% of the capital, calculated on the date of the cancellation decision, minus any shares cancelled in the previous 24 months, the shares which the company holds or may hold as a result of the purchase made under the buyback program and to reduce the capital stock to an amount in accordance with the laws and regulations in force.

It is specified that the Board of Directors may not, without prior authorization from the Shareholders' meeting, use this authorization as of the date of filing by a third party of a public offer for company shares, until the end of the offer period.

Thus, the Board of Directors would have the authority to do what is necessary in such matters.

## **9. Financial delegations**

The Board of Directors wishes to have the delegations necessary to proceed, if it deems useful, with all issuances that may be required to develop company activities, as well as all the necessary permissions to pursue an employee shareholding incentive policy and by so doing to consolidate the development of the company.

That is why you are being asked to renew the authorization for share subscription and/or purchase options and the delegation in terms of maturing BSAs, as well as to renew, in advance, the authorization for free of charge shares due to its insufficient residual ceiling.

With respect to the status of the current delegations, in paragraph 4.2.2.6 of the 2016 Reference document you will find the table of delegations and authorizations granted by the Shareholders' Meeting to the Board of Directors and the status of their use.

Moreover, given the authorization for share subscription and/or purchase options and the delegation for maturing BSAs, likely to generate a cash capital increases, you are asked to rule on a delegation of authority to increase the capital for the benefit of the members of a company savings plan, in accordance with the regulations in effect.

## **9.1 Employee incentives.**

DBV technologies is a rapidly growing company, whose strategy is to commercialize its own product candidates. In order to meet its objectives, the company has a very dense recruitment plan for the next two years as it will, if everything progresses according to plan, more than double its number of employees.

The company must, more specifically, recruit talents for its North American commercial team, which it intends to incentivize with stock options in line with American biotechnology market practices. In addition, the company intends to reinforce its research and development teams in the United States and ensure the loyalty of its management thanks to a competitive stock option policy.

In Europe, the Company grants free shares conditional on stringent performance objectives.

If the performance objectives tied to the 2014, 2015 and 2016 share plans are reached in the next 18 months (success of PEPITES phase III and MILES phase II), the majority of the performance shares allocated to employees, and to the company's top management in particular, will be acquired. It will therefore no longer constitute an effective retention in the years to come.

In France in particular, the Company has an important recruitment plan, to reinforce its research, development, industrial, finance & strategy and administrative teams in preparation for the possible approval of Viaskin Peanut and its commercial launch. In this context, it is necessary to put in place an incentivizing performance shares program made of stringent performance objectives to maximize retention.

To allow the continuation of the employee shareholding initiatives and to consolidate the company's growth, we suggest the renewal of authorizations in this regard in the following manner:

### **9.1.1. Authorization to award share subscription and/or purchase options to salaried employees (and/or certain corporate officers) (fourteenth resolution)**

We recommend that you authorize the Board of Directors, for a period of 38 months, to grant warrants and/or stock options for the benefit of employees, of some of them, or certain categories of staff, and/or officers defined by law, both of the company or of companies or

economic interest groups linked to it pursuant to the provisions of article L. 225 - 180 of the Commercial Code;

The total number of options that may be granted by the Board of Directors under this authorization will not grant the right to subscribe to or purchase of a number of shares greater than 5.5% of the capital stock existing on the date of this Meeting.

The share subscription and/or purchase price by the beneficiaries will be set on the day the options are granted by the Board of Directors in accordance with the regulations in effect and may not be less than the average price over the twenty trading days preceding the date of the award decision.

It is specified that the exercise of share subscription and/or purchase options by the Company's Executive Directors would be subject to the fulfillment of performance conditions which will be set by the Board of Directors.

The duration of the options set by the Board of Directors may not exceed a period of 10 years from the grant date.

Thus, the Board of Directors would have, within the limits defined above, all powers to set the other terms and conditions of the allocation of options and their lifting and especially to set the conditions under which the options will be granted and deciding on the list or categories of beneficiaries as provided for above, set the periods of exercise of the options thus granted, to accomplish or have perform all acts and formalities for the purpose of making the capital increases final which may, where appropriate, be carried out, amend the articles accordingly and generally do what will be necessary.

**9.1.2. Authorization to allot free existing and/or future shares to salaried employees and/or certain corporate officers of the company or related companies, shareholder waiver of their pre-emptive rights, duration of the authorization, maximum amount, duration of vesting periods specifically with respect to nullity and holding periods, as necessary (fifteenth resolution)**

You will be asked to renew, in advance, the authorization to grant free shares to members of the company staff and to members of the staff of related companies and/or certain corporate officers.

Accordingly, you are asked to renew, for a period of 38 months, the authorization granted to the Board of Directors, under Article L. 225-197-1 of the French Commercial Code, to allocate new free shares resulting from a capital increase that is based on incorporating reserves, premiums or profits, or existing shares.

We would like to point out that the total number of shares already allocated free of charge currently represents 10% of the share capital. The delegation which we submit to your vote may be used only if the Company is no longer constrained by this ceiling (in particular in the event of a capital increase or a "collective" allocation as provided for in Article L 225-197-1 of the French Commercial Code, changes in regulation, etc.).

The beneficiaries of these allocations may be:

- the members of the staff of the company or companies that are directly or indirectly related to it as defined by Article L. 225-197-2 of the Commercial Code,

- the corporate officers who meet the conditions set out in Article L. 225-197-1 of the Commercial Code.

The total number of shares thus granted freely may not exceed 5% of the capital stock on the date of this meeting.

The allocation of shares to beneficiaries would be final at the end of a period of acquisition the term of which will be determined by the Board of Directors, said term never being less than one year.

The beneficiaries would have to, as applicable, retain these shares for a period set by the Board of Directors, that is at least equal to time necessary so that the total duration of the vesting periods and, as applicable, the retention period is not less than two years.

By way of exception, final allocation would take place before the end of the vesting period in the event of disability of the beneficiary classified under the second and third categories set out in Article L. 341-4 of the Social Security Code.

The definitive awarding of free shares allotted to corporate officers of the Company would be subject to the achievement of performance conditions to be defined by the Board of Directors.

This authorization would imply that you waive your pre-emptive right to subscribe to newly issued shares through the capitalization of reserves, share premiums and profits.

Thus, the Board of Directors would have, within the limits defined above, all powers to set conditions and, where appropriate, the criteria for allotting shares, to determine the identity of the beneficiaries of bonus allocations among persons who satisfy the conditions set out above as well as the number of shares to assign to each of them; where appropriate, to identify the existence of sufficient reserves and proceed, during each assignment, with the transfer to an unavailable reserve account of the amounts required for the release new shares to assign, decide the increases in capital by incorporation of reserves, premiums or profits, consequential to the issuance of the new shares allocated free of charge, proceed with the acquisitions of the shares necessary within the context of the share buyback program and assign them to the allocation plan; to determine the impact on the beneficiaries' rights, of transactions modifying the capital or that may affect the value of the shares to be assigned and carried out during the acquisition period; to take all useful measures to ensure compliance by the beneficiaries, where appropriate; and generally, in connection with the legislation in effect, perform all duties that the implementation of this authorization may require.

## **9.2. Delegation of powers to issue BSAs, BSAANEs and/or BSAARs** *(sixteenth resolution)*

The Company would like to continue to attract, in particular, the best scientific, administrative and expert consultants at a time when it is developing its pipeline and is preparing itself to launch commercialization of Viaskin Peanut in the United States, if it is approved by the American regulatory authority.

As a result, you are asked to consent to grant a new delegation of powers to the Board to issue BSAs, BSAANEs and/or BSAARs for a period of 18 months in favor of categories of persons.

This delegation would present the following characteristics:

It would allow for issuing:

- Stock warrants (BSA),
- Warrants for new and/or existing shares (BSAANE),
- Warrants for redeemable new and/or existing shares (BSAAR),

The BSAs, BSAANEs and/or BSAARs may be issued in one or several times, in the proportions and at the times determined by the Board of Directors and would entitle to subscribe and/or to purchase DBV TECHNOLOGIES shares at a price set by the Board of Directors during the decision to issue according to the terms of the price defined hereafter.

This delegation stipulates that this authorization means that the shareholders waive their pre-emptive rights to shares that may be issued by the exercising of warrants to the holders of BSAs, BSAANEs and/or BSAARs.

The characteristics of the BSAs, BSAANEs and/or BSAARs that may be issuable pursuant to this delegation would be set by the Board of Directors in their decision to issue.

The latter would have all the necessary powers, under the conditions under the terms set by law and stipulated above, to issue BSAs, BSAANEs and/or BSAARs and in particular to set the nature and number of warrants to be allocated to each beneficiary, the number of shares to which each warrant shall give entitlement, the issue price of the warrants and the subscription and/or acquisition price of the shares to which the warrants give entitlement under the terms outlined above, the terms and deadlines for the subscription and exercise of the warrants, the associated adjustment mechanisms and more generally, all terms and conditions with respect to the issue.

The subscription and/or acquisition price of the shares to which the warrants would entitle would be at least equal to the average closing price of DBV TECHNOLOGIES shares for the 20 trading days preceding the decision to issue the warrants, where appropriate, excluding any eventual warrant issue price.

It is specified that the Board of Directors may not, except with the prior authorization of the Shareholders' meeting, make use of this delegation from the time of the submission by a third party of a proposed public offer for company shares and such, until the end of the offer period.

A delegation allowing for the issuance of BSA, BSAANE, and/or BSAAR for the benefit of categories of persons, in order to allow certain employees or officers of the Company or of one of the group's company to be involved in the progression of the share price provided they agree to take a risk by subscribing the warrant.

With this in mind, we suggest that you to decide on the revocation of your preferential subscription rights in favor of the categories of persons having the following characteristics pursuant to article L. 225-138 of the Commercial Code: the officers, member of the Scientific committee and Company employees as well as persons bound, by a service or consultant contract, to the company and French or foreign companies that are related to the Company under the conditions of article L.225-180 of the Commercial Code.

The Board of Directors reserves the right to implement the delegation to set the list of beneficiaries within the categories of persons defined above and the number of warrants to be allocated to each of them.

The total par value of shares to which the warrants issued pursuant to this authorization give entitlement may not exceed 0.5% of the capital on the day of this Meeting. To this maximum amount will be added, as necessary, the par value of the ordinary shares to be issued to preserve the rights of the holders of BSAs, BSAANEs, and BSAARs, pursuant to the law, and

where applicable, the contractual stipulations providing for other adjustments. That ceiling would be independent of all of the ceilings provided for by the other resolutions of the present Meeting.

If subscriptions have not absorbed the entire issue, the Board of Directors may use the following options:

- To limit the issue to the amount of subscriptions, where appropriate, within the limits provided for by the regulation,
- freely allocate all or part of the non-subscribed BSAs, BSAANEs and BSAARs to persons covered by the categories defined above.

### **9.3. Delegation of authority to increase the capital for the benefit of members of a PEE (seventeenth resolution)**

We submit the present resolution to your vote, in order to comply with the provisions of article L. 225-129-6 of the Commercial Code, pursuant to which the Extraordinary Shareholders' Meeting must also decide on a resolution towards the realization of a capital increase under the conditions set by articles L. 3332-18 et seq. of the Labor Code, when it has delegated its responsibility to carry out a cash capital increase.

The Meeting called upon to decide on an authorization in terms of share subscription and/or purchase options and the delegation in terms of maturing BSA, likely to generate a cash capital increase, it will also have to decide on a delegation for the benefit of the members of an employee savings plan, it being noted that the inclusion in the agenda of this delegation for the benefit of the members of an employee savings plan also allows the Company to meet the three-year requirement provided for in the above-mentioned provisions.

As part of this delegation, it is recommended that you authorize the Board of Directors, to enact a capital increase on one or more occasions through the issue of ordinary shares or securities giving access to the Company's capital, reserved for members of one or more group or company employee savings plans established by the company and/or affiliated French or international companies under the conditions of Article L.225-180 of the Commercial Code and Article L.3344-1 of the Labor Code.

Pursuant to Article L.3332-21 of the Labor Code, that the Board of Directors may allocate to the beneficiaries, free shares already issued or to be issued, or other securities giving access to the Company's capital issued or to be issued (i) in respect of the contribution that may be paid pursuant to the regulations governing the group or company savings plans and/or (ii) where appropriate, as a discount;

In accordance with law, the General Meeting would eliminate the preferential subscription rights of the shareholders.

The maximum par amount of the capital increases which may be executed under this authority to 2% of the amount of the capital stock existing on the date of the Board of Director's decision to carry out this increase, this amount is separate from any other ceiling set by other authorizations relating to capital increases. To this total will be added, as necessary, the additional amount of ordinary shares to be issued to preserve the rights of the holders of securities granting access to the Company's capital, pursuant to law, and any contractual stipulations providing for other adjustments.

This delegation would have a duration of 26 months.

It is specified that, in accordance with the provisions of Article L. 3332-19 of the Labor Code, the price of shares to be issued may not be lower than 20% (or 30% when the lock-in period stipulated by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the Labor Code is equal to or greater than ten years) than the average share opening price on the 20 trading sessions prior to the Board of Directors' decision on the capital increase and the corresponding share issue, or greater than this average.

It is specified that the Board of Directors cannot, except with the prior authorization of the Shareholders' meeting, make use of this delegation from the time of the submission by a third party of a proposed public offer for company shares and such, until the end of the offer period.

The Board of Directors shall be granted, within the limits set forth above, the powers required to set the terms for the issue(s), record the execution of the resulting capital increases, amend the Articles of Association accordingly, impute, as it sees fit, the costs of the capital increase to the amount of the related premiums and deduct the necessary sums from this amount to bring the statutory reserve to one tenth of the new capital stock after each increase and more generally, perform all tasks required in similar matters.

This delegation of authority would cancel any unused portion, if any, of any prior delegation having the same purpose.

#### **10. Amendment to Article 36 of the Bylaws** (*eighteenth resolution*)

Law no. 2016-1691 dated December 9, 2016 (referred to as Sapin II) amends the provisions of article L.823-1 of the Commercial Code, in order to reserve the obligation to appoint one or more alternate Statutory Auditors to the companies whose Statutory Auditor(s) is(are) not a natural person or legal entity or entities or a single-member company or companies.

This is why we are recommending, under the eighteenth resolution, the harmonization of the provisions of article 36 of the Bylaws for alternate Statutory Auditor.

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On its recommendation, the Board of Directors invites you to vote to approve the text of the resolutions.

**THE BOARD OF DIRECTORS**