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INNATE PHARMA

French *société anonyme* organized with a Supervisory Board and an Executive Board
Share capital of 2,654,263.20 Euros
Headquarters: 117 avenue de Luminy - 13009 Marseille
RCS Marseille 424 365 336
(the “**Company**”)

REPORT OF THE EXECUTIVE BOARD AT THE ANNUAL SHAREHOLDERS’ MEETING OF 27 APRIL 2015

Ladies and Gentlemen,

Dear Shareholders,

We have convened this Annual Mixed Shareholders’ Meeting, pursuant to the provisions of the French Commercial Code and the Company’s articles of association, to deliberate on the following agenda:

I. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY SHAREHOLDERS’ MEETING:

- Approval of the financial statements for the 2014 financial year (Resolution n°1);
- Approval of the consolidated financial statements for the 2014 financial year (Resolution n°2);
- Allocation of earnings for the financial year (Resolution n°3);
- Related-party transactions (Resolution n°4);
- Renewal of Gilles Brisson as a member of the Supervisory Board (Resolution n°5);
- Renewal of Patrick Langlois as a member of the Supervisory Board (Resolution n°6);
- Renewal of Philippe Pouletty as a member of the Supervisory Board (Resolution n°7);
- Renewal of Irina Staatz-Granzer as a member of the Supervisory Board (Resolution n°8);
- Renewal of Novo Nordisk A/S as a member of the Supervisory Board (Resolution n°9);
- Renewal of Michael Caligiuri as a member of the Supervisory Board (Resolution n°10);
- Appointment of Véronique Chabernaud as a member of the Supervisory Board (Resolution n°11);
- Renewal of Bpifrance Participations as a member of the Supervisory Board (Resolution n°12);
- Determination of attendance fees (*jetons de présence*) to be allocated to members of the Supervisory Board (Resolution n°13);

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- Decision on remuneration due or allocated under the financial year ended 31 December 2014 to Hervé Brailly, Chief Executive Officer (Resolution n°14);
- Decision on remuneration due or allocated under the financial year ended 31 December 2014 to Catherine Moukheibir, member of the Executive Board (Resolution n°15);
- Decision on remuneration due or allocated under the financial year ended 31 December 2014 to Nicolai Wagtmann, member of the Executive Board (Resolution n°16);
- Authorisation for the Company's purchase of its own shares (Resolution n°17).

II. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING:

- Delegation of authority to the Executive Board for the issuance of ordinary Company shares and/or of securities giving access to share capital of the Company, with shareholders' preferential subscription rights (Resolution n°18);
- Delegation of authority to the Executive Board for the issuance of ordinary Company shares and/or of securities giving access to share capital of the Company, without shareholders' preferential subscription rights (Resolution n°19);
- Delegation of authority to the Executive Board for the issuance without shareholders' preferential subscription rights, of ordinary Company shares and/or of securities giving access to share capital of the Company, through an offering referred to under paragraph II of article L.411-2 of the French Monetary and Financial Code (Resolution n°20);
- Determination of the share issuance price, up to the limit of 10% of the share capital per year, of ordinary shares and/or securities giving access to share capital of the Company without shareholders' preferential subscription rights (Resolution n° 21);
- Authorisation granted to the Executive Board to increase the number of securities to be issued in the event of a share capital increase with or without shareholders' preferential subscription rights (Resolution n°22);
- Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to share capital of the Company, as compensation for contributions in kind comprised of equity securities or securities giving access to share capital (Resolution n°23);
- Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to share capital of the Company, in the event of a public exchange offer initiated by the Company (Resolution n°24);
- Delegation of authority to the Executive Board for the purpose of issuing autonomous share subscription warrants reserved for a specific category of persons (Resolution n°25);
- Delegation of authority to the Executive Board for the purpose of issuing subscription and/or refundable share acquisition warrants (BSAAR) reserved for the benefit of employees and Company officers and subsidiaries, without shareholders' preferential subscription rights (Resolution n°26);
- Authorisation granted to the Executive Board to allocate existing or new free shares (Resolution n°27);

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- Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to share capital of the Company for the benefit of members of a company savings plan (Resolution n°28);
- Overall limitation on authorisations (Resolution n°29);
- Delegation of authority granted to the Executive Board for the purpose of cancelling all or part of the Company treasury shares, acquired pursuant to the authorisation to repurchase shares (Resolution n°30);
- Modification of the Company's articles of association for the purpose of excluding shareholders' double voting rights in accordance with new applicable legal provisions (Resolution n°31);
- Powers to complete formalities (Resolution n°32).

Our report, the auditors' reports, the financial statements and consolidated financial statements have been made available to you in accordance with conditions and deadlines set forth by the Company's articles of association and applicable legal provisions.

I. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY SHAREHOLDERS' MEETING:

1. Approval of the financial statements and allocation of earnings for the financial year ended on 31 December 2014 (Resolutions n°1, 2 and 3)

a) Financial statements for the financial year ended on 31 December 2014

The inventory and financial statements submitted to your approval, under resolution n°1, namely the balance sheet, income statement, statement of cash flows and statement of changes in equity and the annex attested on 31 December 2014, have been established pursuant to the presentation rules and evaluation methods set forth by the regulations in force in France.

The Executive Board presents this set of accounts for your approval.

The financial statements highlight a net profit (loss) of 19,769,139 Euros under the financial year ended on 31 December 2014, against a net profit (loss) of 3,252,693 Euros under the financial year ended on 31 December 2013.

For comments on these financial statements, please refer to the management report of the Executive Board and observations made by the Supervisory Board on this management report, which have been made available to you in accordance with the regulations in force.

b) Amount of non-deductible expenses

In accordance with articles 223 paragraph c (*quarter*) and 223 paragraph d (*quinquies*) of the French General Tax Code, it is required that you acknowledge, by adopting resolution n°1, that (i) the Company has incurred tax non-deductible expenses referred to under article 39-4 of this Code, during the past financial year, comprised of 182,500 Euros in attendance fees (*jetons de présence*) and of 11,679 Euros in excess amortisations on the touring cars, and (ii) the Company has not incurred general expenses referred to under article 39-5 of the French General Tax Code.

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c) Consolidated financial statements for the financial year ended on 31 December 2014

The consolidated financial statements submitted to your approval, under resolution n°2, namely the balance sheet, income statement, statement of cash flows and statement of changes in equity and the annex attested on 31 December 2014, have been established pursuant to the IFRS standards.

The Executive Board presents this set of accounts for your approval.

The consolidated financial statements highlight a net profit (loss) of (19,647) thousands Euros under the financial year ended on 31 December 2014, against a net profit (loss) of (2,892) thousands Euros under the financial year ended on 31 December 2013.

For comments on these consolidated financial statements, please refer to the management report of the Executive Board and observations made by the Supervisory Board on this management report, which have been made available to you in accordance with the regulations in force as well as Section 9 and 10 of the 2014 Registration Document of the Company, filed with the *Autorité des Marchés Financiers* on 12 March 2015 under the reference D.15-0129.

d) Proposition as regards the allocation of earnings

The profit of the financial year highlights, in light of the financial statements, a net loss of 19,769,139 Euros, which we propose you allocate to “Retained Earnings” under resolution n°3. After allocation of this profit, the “Retained Earnings” will represent a loss of 104,184,755 Euros.

There will not be an allocation of dividends under the financial year ended on 31 December 2014.

In addition, we remind you that, pursuant to article 243 *bis* of the French General Tax Code, no dividend has been allocated under the preceding three financial years.

2. Related-party transactions (Resolution n°4)

We propose under resolution n°4 that you approve the agreements falling within the scope of articles L.225-86 *et seq.* of the French Commercial Code, as well as any previously authorised and concluded agreements whose performance continued during the past financial year.

The agreements referred to under article L.225-86 of this Code that have been duly authorised and entered into during previous financial years and whose performance continued during the financial year ended on 31 December 2014 are as follows:

Ñ **Agreements entered into with Hervé Brailly, Chief Executive Officer**

Compensation:

Hervé Brailly received a fixed monthly salary of 16,670 Euros over the six-month period starting from January to June 2014 and of 21,667 Euros over the six-month period starting from July to December 2014 under his employment contract, and a collective bonus of 10,833 Euros in the 2014 financial year, plus an additional amount of 10,002 Euros as collective bonus of 2013. Furthermore, Hervé Brailly received in 2014 an amount of 82,290 Euros as individual bonus for the 2013 period.

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Hervé Brailly's compensation increased by 15% in comparison to the previous financial year. This increase occurred upon recommendation of the Remuneration Committee which acknowledged the significant Company progress in 2014, in particular as regards the development portfolio, strengthening of the cash flow and improvement in the Company stock market position and its visibility on the immuno-oncology market (see paragraph 4 below for a description of principles for determining remuneration allocated to managers).

As regards the application of article 22 of the AFEP-MEDEF corporate governance Code, the Supervisory Board of 27 March 2014 renewed Hervé Brailly's term of office and authorised him to simultaneously occupy his position as Chief Executive Officer and employee of the Company under his work contract, it being specified that his term of office as Chief Executive Officer is not remunerated, like the other members of the Executive Board.

Defined pension plan under article 83:

Hervé Brailly also benefits from the pension contract "article 83" with *la France Vie* at a contribution rate of 2% of his gross salary, 1.20% of which is borne by the Company. The amount paid by the Company in the 2014 financial year amounted to 2,745 Euros.

Specific unemployment benefits for executive directors (GSC):

The purpose of this contract is to guarantee the payment of compensation in the event of unemployment (up to 70% of the last professional income as declared to the tax authority) of company executives and officers who are not eligible to claim French unemployment benefits (*ASSEDIC*). This contract was introduced with effect from 1 April 2006 following the Supervisory Board's authorisation granted on 23 September 2005. The amount paid by the Company for the 2014 financial year amounted to 7,306 Euros.

Company car:

Hervé Brailly also benefits from a long-term company car rental contract, as agreed by the Remuneration Committee on 19 January 2007 at a cost of 1,980 Euros in the 2014 financial year.

Ñ **Agreements entered into with Nicolai Wagtmann, member of the Executive Board**

Compensation:

Nicolai Wagtmann received a fixed monthly salary of 13,494 Euros over the twelve-month period starting from January to December 2014 under his employment contract and a collective bonus of 6,747 Euros in the 2014 financial year. Nicolai Wagtmann also received in 2014 a benefit in kind for accommodation of 3,200 Euros.

Defined pension plan under article 83:

Nicolai Wagtmann also benefits from the pension contract "article 83" with *la France Vie* at a contribution rate of 2% of his gross salary, 1.20% of which is borne by the Company.

The amount paid by the Company in the 2014 financial year amounted to 1,392 Euros.

Company car:

Nicolai Wagtmann also benefits from a long-term company car rental contract at a cost of 2,160 Euros in the 2014 financial year.

Ñ **Agreements entered into with Catherine Moukheibir, member of the Executive Board**

A consultancy agreement dated 18 April 2011 was entered into between the Company and Catherine Moukheibir to provide services for a period of two years as of 1 March 2011 as "Senior Finances Advisor". This agreement was renewed twice per periods of two years since 4 March 2013. The renewal of this consultancy agreement is subject to the Supervisory Board's prior approval.

Under the terms of this agreement, Catherine Moukheibir provides her expertise in the development strategy of the Company and its financial information disclosure. She is also involved in the assessment of all strategic transactions of the Company.

This consultancy agreement serves to improve in a flexible manner the level of services performed by Catherine Moukheibir according to the needs of the Company and allows the Company to have a top-ranked consultant and financial expertise tailored to its needs. In 2014, due to the acquisition of the Phase II NKG2A programme on the one hand, and fund raising on the other hand, this volume increased in comparison to the 2013 year.

As such the Company paid the amount of 246,000 Euros as consideration for the services performed from 1 January 2014 to 31 December 2014.

Furthermore, Catherine Moukheibir is interested in the profits of the Group through the variable attribution and, after decision of the Supervisory Board upon recommendation of the Remuneration Committee in light of achievement of predefined targets, of share subscription warrants and/or share subscription or refundable share acquisition warrants. These attributions account for the fact that, Catherine Moukheibir not being employed by the Company for the reasons explained above, is not eligible to receive collective and individual bonus (also decided by the Supervisory Board after consulting the Remuneration and Appointment Committees). These attributions are carried out consistently with the attributions of bonus and therefore correspond to a *de facto* element of the variable remuneration, such that they are not cash but instruments, the value of which depends on the stock market price. The details of the attributions are indicated in Section 15 of the aforementioned 2014 Registration Document.

See paragraph 4 below for a description of principles for determining remuneration allocated to managers.

Ñ **Agreements entered into with Novo Nordisk A/S, shareholder and member of the Supervisory Board**

Co-operation Agreement :

Novo Nordisk A/S and the Company executed on 16 December 2010 an amendment n°4 to their co-operation agreement amending the scope of their respective developments without financial impact.

An amendment n°5 was also executed on 5 January 2011 by the parties in order to update the list of patents.

An amendment n°6 was executed on 5 July 2011 to align certain terms of the contract with the BMS agreement executed by the Company on 6 July 2011.

An amendment n°7 was executed on 5 February 2014 according to which Novo Nordisk A/S transferred rights against Anti-NKG2A to the Company.

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License Agreement:

Novo Nordisk Health Care AG, a fully owned subsidiary of de Novo Nordisk A/S, and the Company executed on 9 December 2013 a license agreement according to which Novo Nordisk Health Care AG grants to the Company a co-exclusive license on patents relating to protein engineering.

3. Membership and remuneration of the Supervisory Board (Resolutions n°5 to 13)

a) Renewal of the members of the Supervisory Board

As the term of office of the Supervisory Board members Gilles Brisson, Patrick Langlois, Philippe Pouletty, Michael Caligiuri, Irina Staatz-Granzer and Novo Nordisk A/S company expire, we propose, through resolutions n°5 to n°10, that you renew their term of office for a period of two years expiring at the end of the Ordinary Shareholders' Meeting to convene in 2017 to decide on the accounts for the financial year ending on 31 December 2016.

Members of the Supervisory Board were chosen for their experience and significant expertise in the health sector and precisely in the pharmaceutical and biotechnological sectors:

- Ñ Gilles Brisson, aged 63, HEC graduate, has occupied management positions at Rhône-Poulenc then Aventis, as Chief Executive Officer, Chairman of the Supervisory Board of Aventis Pharma SA, and then Europe Manager for Aventis Pharma. He previously had an international career with Rhône-Poulenc Rorer and then Aventis, in the United States, in France and in Japan, with overall responsibilities in particular as Senior Vice President Corporate Development of Rhône-Poulenc Rorer and Senior Vice President of Worldwide Communications and Public Affairs for Aventis. Gilles Brisson is President and a member of the Supervisory Board since 2007.
- Ñ Irina Staatz-Granzer, aged 54, with a PhD in Pharmacy, occupied several positions in the pharmaceutical industry, mostly in Business Development at Hermal, Boots Healthcare International, Knoll, Scil Biomedicals and as CEO (Scil Technology). She founded and is currently CEO of Staatz Business Development & Strategy where she advises her international clients on a number of licensing agreements and M&A transactions. Irina Staatz-Granzer is a member of the Supervisory Board since 2009.
- Ñ Patrick Langlois, aged 69, was appointed new member of the Supervisory Board as proposed by Bpifrance Participations (previously known as the Fonds Stratégique d'Investissement), shareholder. Patrick Langlois joined the Rhone-Poulenc Group in 1975 and was appointed in particular Financial Director of the Rhône-Poulenc Group in 1997 and Financial Director and Executive Vice President of the Aventis Group from 2002 to 2004. Patrick Langlois has been Associate Managing Director of PJI Conseils since 2005 and is a board member of several biopharmaceutical companies. Patrick Langlois is a member of the Supervisory Board since 2010.
- Ñ Philippe Pouletty, aged 56, is co-Founder and General Manager of Truffle Capital (360 million Euros of capital investments under management). He is a pioneer of the biotechnical sector and medical devices with dual experience in Silicon Valley and in France. He is founder and Chairman of Deinove's board of directors (Alternext: ALDEI), Co-founder and Board member of Carmat (Alternext: ALCAR), former chairman and Board member of Neovacs (Alternext: ALNEV), Chairman of BMD and Splicos, co-founder and Board member of Pharnext, Plasmaprime, Vexim, Wittycell,

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Board member of Immune Targeting Systems, Myopowers, Symetis, Theraclion, all Truffle Capital portfolio companies. He is founder of SangStat (1988, organ transplantation therapeutics, IPO on NASDAQ in 1993, sold to Genzyme for €600M in 2002), Conjuchem (founded in 1993, IPO on the Toronto stock exchange in 2000). Philippe Pouletty is former Chairman (2001-2009) and Honorary Chairman of France Biotech, the French biotech industry association. He is inventor of the Young Innovative Enterprise Status (JEI), implemented by President Jacques Chirac in 2004 in France. Former vice chairman of Europabio, the European biotech industry association. He is inventor of 29 patents, including the second highest revenue generating life science patent for Stanford University.

With a PhD in medicine from the University of Paris VI, MS degree in immunology and virology from the Pasteur Institute, post-doctoral research fellow at Stanford University. 1999: laureate of the American Liver Foundation, Philippe Pouletty is a *Chevalier* of the French "*Légion d'Honneur*". Philippe Pouletty is an independent member of the Supervisory Board since 2001. Although Philippe Pouletty has been member of the Board of Directors for more than twelve years, he is considered by the Supervisory Board as independent because of the lack of any financial or other links with the Company and his reputation as well his role in the biotechnology field in France which allow him to make independent contributions to the Board discussions.

Ñ Dr Michael A. Caligiuri, aged 59, is the CEO of The James Cancer Hospital and Director of the Comprehensive Cancer Center at The Ohio State University. He attended Stanford University Medical School and trained in Internal Medicine, Oncology, Bone Marrow Transplantation, and Immunology at Harvard's Brigham and Women's Hospital and The Dana Farber Cancer Institute. Dr Caligiuri is a leukemia physician and a laboratory scientist focused on innate immunity (natural killer cell biology) and genesis and treatment of leukemia. His laboratory is comprised of 30 people (post-doctoral interns, research scientists, pre-doctoral students, technicians and undergraduate students) and is funded by the United States National Cancer Institute. Over 1500 patients have been recruited in clinical trials designed or co-designed by Dr Caligiuri. Dr Caligiuri is an independent member of the Supervisory Board since 2013.

Ñ Novo Nordisk A/S is represented by Karsten Munk Knudsen, aged 43. Karsten Munk Knudsen has a finance degree from the Aarhus University. He joined Novo Nordisk A/S in 1999 to manage the financial department. He then occupied several managing positions in the Group, in particular in the United States. He is now Senior Vice President Corporate Finance. Novo Nordisk A/S is a member of the Supervisory Board since 2007 and Karsten Munk Knudsen is its permanent representative on the Supervisory Board since 2014.

b) Appointment of a new member of the Supervisory Board

It is required of you under resolution n°11 to appoint as member of the Supervisory Board, Véronique Chabernaude, residing 10, allée Maryse Hilstz à Chevilly Larue (94550), for a period of two years, that is until the Ordinary Shareholders' Meeting to convene in 2017 to decide on the accounts for the financial year ending on 31 December 2016.

The application of Véronique Chabernaude was successful because of her experience and significant expertise in the pharmaceutical and oncological fields:

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Ñ Véronique Chabernaud, aged 53, oncologist, ESSEC graduate, occupied for 20 years, both national and international top-ranked positions in the pharmaceutical industry. In particular, she occupied the positions of Director of the France oncological operational unit at Sanofi Aventis, Vice President Marketing Sales at Aventis Intercontinental and Europe, and Director of Oncology Global Medical Affairs at Rhône Poulenc Rorer. She was also consultant with companies in the innovative technology sector with high impact on public health, both in France and abroad (Genomic Health, BioSystems International, MaunaKea Technologies, Ariana Pharma). In 2007, she founded her company *Créer la Vitalité* which helps companies and organisations in the development of a global health approach. Véronique Chabernaud also founded the association “*Enfance et Vitalité*” which offers “Health” workshops to children. She is also consultant partner of *Recherches et Evolution* and co-founder and manager of the Ethic Health company.

With the appointment of Véronique Chabernaud, if it is approved by the shareholders, the Supervisory Board will comprise of seven members, instead of currently six, two of whom are females, instead of currently one, and will therefore be in compliance with article 5-II of the 2011-103 French Law of 27 January 2011 which provides that the Supervisory Board must comprise at least 20% of members of each gender.

Furthermore, Véronique Chabernaud meets the independence requirements set by the French AFEP-MEDEF corporate governance Code, referred to by the Company, and the proportion of independent members on the Board will increase from four out of six to five out seven.

c) Renewal of the censor

As the term of office as censor of the Bpifrance Participations company expires, we propose, through resolutions n°12, that you renew its term of office for a period of two years expiring at the end of the Ordinary Shareholders' Meeting to convene in 2016 to decide on the accounts for the financial year ending on 31 December 2015.

Bpifrance Participations was first appointed by the Shareholders' Meeting of 25 May 2010, then renewed each year, as legal person censor with a natural person permanent representative. The current permanent representative of Bpifrance Participations is Olivier Martinez.

Olivier Martinez, PhD, MBA, is Investment Director in the Investment Direction in Life Sciences of Bpifrance. Before, Olivier Martinez was Investment Director of CDC Entreprises (2010-2013) and Partner of Bioam Gestion (2000-2010). He is a member of the Boards of Adocia (ADOC, Euronext), Alizé Pharma, Fab Pharma, GenticeL (GTCL, Euronext), Poxel (POXEL, Euronext) and Cerenis Therapeutics (CEREN, Euronext). Olivier Martinez is an alumnus of the *Ecole Normale Supérieure* and holds a PhD in cell biology from the University of Paris XI and a diploma from the *Collège des Ingénieurs*.

d) Attendance Fees

We invite you in resolution n°13, to vote on the allocation, for the benefit of members of the Supervisory Board, of a global amount of 200,000 Euros attendance fees for the 2015 financial year. The amount of attendance fees proposed remains unchanged in comparison to the one proposed in the previous financial year.

The Supervisory Board shall allocate all or part of this amount amongst its members based on a calculation pertaining to their level of participation during meetings and their

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responsibility in the different committees. Paragraph 2.1 of the report of the Chairman of the Supervisor Board on governance, internal control and risks, in Annex 1 to the aforementioned 2014 Registration Document, contains the terms and conditions for allocating these attendance fees and details the allocation of these fees in the financial years 2013 and 2014. Please note that, should Véronique Chabernaud be appointed on the Supervisory Board, the latter shall comprise an additional independent member eligible to receive attendance fees.

4. Shareholders' decision on the remuneration of company directors and officers (Resolutions n°14, 15 and 16)

In accordance with the recommendations of the revised French AFEP-MEDEF Code in June 2013 (article 24.3), corporate governance code to which the Company refers in accordance with article L.225-68 of the French Commercial Code, the following elements of the remuneration due or allocated under the financial year ended to each manager of the Company for the year 2014 must be submitted to the shareholders' advisory vote.

We invite you therefore under resolutions n°14, 15 and 16 to give your opinion on the following elements of remuneration due or allocated under the financial year ended to Hervé Brailly, Chief Executive Officer, Catherine Moukheibir and Nicolai Wagtmann, members of the Executive Board.

The elements of remuneration presented below are based on the following allocation principles:

Ñ Principles for determining remuneration allocated to managers

The Supervisory Board refers to the French AFEP-MEDEF corporate governance Code of June 2013 for the determination of remuneration and benefits granted to managers.

The remuneration of the members of the Executive Board is determined annually by the Supervisory Board upon recommendation of the Remuneration and Appointment Committees. It comprises a fixed remuneration (*rémunération de référence*) and a variable remuneration.

The fixed remuneration reflects the manager's duty, his (or her) level of experience and skills and provides a basis for the determination of the annual variable remuneration of the Executive Board members under employment contract with the Company.

The variable remuneration is based on performance of the employee members of the Executive Board and aims to help the Company meet its targets. It can reach 40% of the global remuneration if the entire predefined objectives are met and includes individual and collective bonuses (the collective bonus is paid to Company employees and corresponds to a percentage of a monthly salary set according to the achievement of targets).

The targets are set annually by the Remuneration and Appointment Committees for the entire Company and are weighed for each member of the Executive Board according to his (on her) position. For its recommendation to the Supervisory Board at the beginning of the following year, the Remuneration and Appointment Committees evaluate the achievement of the goals according to the criteria set, as well as qualitative assessment of individual performances.

Exceptional bonuses may also be allocated, always on recommendation of the Remuneration and Appointment Committees, if exceptional events that were not originally planned were to occur. In general, the nature of the Company's activity – research and

development – does not lend itself to the determination of purely financial performance-based quantitative targets.

Hence, in 2014, the collective targets of the Company pertained, on one half to the targets linked to the advancement and success of programmes (the majority of which pertained to the advancement of clinical programmes of the Company) and on the other half to the corporate targets (the majority of which pertained to the level of cash flow at the end of the financial year and the evaluation of the Company).

Employee members of the Executive Board also benefitted from a pension contract under article 83 with *France Vie*, financed by a contribution corresponding to 2% of the annual salary, 1.20% of which is paid by the Company.

Finally, the Company has entered into an agreement for Specific unemployment benefits for executive directors, for the benefit of Hervé Brailly. The purpose of this agreement is to guarantee the payment of compensation in the event of unemployment (within the limit of 70% of the last professional income as declared to the tax authority) of company executives and officers who are not eligible to claim French unemployment benefits (*ASSEDIC*). This agreement was introduced with effect from 1 April 2006 following the Supervisory Board's authorisation granted on 23 September 2005.

Catherine Moukheibir, member of the Executive Board has entered into a consultancy contract with the Company, which serves to improve in a flexible manner the level of her services according to the needs of the Company. This ad-hoc contract hence allows the Company to have a top-ranked consultant and financial expenses tailored to its needs. In 2014, due to the acquisition of Phase II programme on the one hand, and a fund raising on the other hand, this volume increased in comparison to the 2013 year. Moukheibir is not eligible for a variable remuneration (bonus) (Please see also paragraph 2 above).

Ñ Principles for allocating equity investment instruments to managers

Part of managers' remuneration must comprise equity investment instruments (*instruments de participation au capital*) aimed at involving them in the long-term development of Company value and its share value on the stock market.

A policy regarding the allocation of Company's equity instruments to managers was established by the Company and is renewed every year by the Supervisory Board upon recommendation of the Remuneration Committee, taking into account the achievement of targets related to the Company's performance. This remuneration policy is also approved every year by the Shareholders' Meeting through the vote of specific resolutions described in Paragraph II. 2 below.

This compensation policy is now as follows, subject to the positive vote of the Shareholders' Meeting and the prior approval of the Supervisory Board before any allocation:

- annual allocation or every two years of BSAAR, based on performance, for members of the Executive Board under employment contract with the Company, as part of an allocation to all employees;
- annual allocation of BSA based on performance for the non employee member of the Executive Board.

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The Supervisory Board, on recommendation of the Remuneration and Appointment Committees, reserves the right to authorise an exceptional allocation of BSA and/or BSAAR if any particular event justifying it.

According to the recommendations of the Remuneration Committee on 4 February 2015, the Executive Board shall determine an acquisition period spread over a maximum period of four years for the attributed BSAAR, with a requirement of presence of the beneficiaries in the Company at the moment of exercising each tranche of BSAAR. The acquisition of BSAAR shall be subject to performance requirements taking into account the achievement of previously defined targets over the past financial year by the Remuneration Committee and approved by the Supervisory Board upon allocation of the BSAAR. Furthermore, the Executive Board may provide for an accelerated exercise, in case of achievement over the long term of specific targets defined in the same way during the allocation.

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a) Elements of the remuneration due or allocated under the financial year ended on 31 December 2014 to Hervé Brailly, Chief Executive Officer

Elements of the remuneration	Amounts	Comments
Fixed Remuneration	230,020	Gross salary of 230,020 Euros under the 2014 financial year approved by the Supervisory Board of 27 March 2014 on recommendation of the Remuneration Committee. This remuneration only corresponds to the salaries paid to Hervé Brailly under his employment contract.
Annual Variable Remuneration (maximum: 40% of the fixed remuneration)	122,241	On recommendation of the Remuneration Committee of 4 February 2015, the amount of Hervé Brailly's variable remuneration under the 2014 financial year is estimated at 122,241 Euros. Given the quantitative and qualitative criteria set by the Remuneration Committee of 3 July 2014 and achievement acknowledged on 4 February 2015, the amount of the variable remuneration was estimated as such: - 66,600 Euros for quantitative criteria; - 55,641 Euros for qualitative criteria (including an exceptional bonus of 34,833 Euros allocated to Hervé Brailly in consideration of the Company progress in 2014 as regards the development portfolio, strengthening of the cash flow and improvement in the Company stock market position). The amount of variable remuneration under the 2014 financial year of Hervé Brailly was therefore set at 122,241 Euros. The quantitative and qualitative criteria have been predefined and precisely defined (see paragraph "Principles for determining remuneration allocated to directors corporate officers" above) but were not published for confidentiality reasons.
Deferred Variable Remuneration	N/A	Hervé Brailly did not receive any deferred variable remuneration.
Multi-year Variable Remuneration	N/A	Hervé Brailly did not receive any multi-year variable remuneration.
Exceptional Remuneration	N/A	Hervé Brailly did not receive any exceptional remuneration.
Stock options, Performance shares or any other element of remuneration on the long term	N/A	No stock options or performance shares were allocated during the 2014 financial year. For information purposes, it is reminded that Hervé Brailly holds as of 31 December 2014: - 60,000 share subscription warrants, allocated by the Executive Board of 13 June 2005, - 215,000 BSAAR, attributed by the Executive Board of 18 June 2010 and 9 September 2011.
Attendance Fees	N/A	Likewise all members of the Executive Board, Hervé Brailly did not receive any attendance fees.
Valuation of any type of benefits	9,286	Hervé Brailly had a company car.
Exit Payment	N/A	Hervé Brailly did not receive any exit payment.
Non-compete compensation	N/A	Hervé Brailly did not receive any non-compete compensation.

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Additional Pension Scheme (element taken into account to determine the overall remuneration)	2,745	Hervé Brailly benefitted from an “article 83” pension scheme with France Vie at a contribution rate of 2% of his gross salary, 1.20% of which is paid by the Company.
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b) Elements of the remuneration due or allocated under the financial year ended on 31 December 2014 to Catherine Moukheibir, Member of the Executive Board

Elements of the remuneration	Amounts	Comments
Fixed Remuneration	265,500	Continuation of the contract includes the remuneration allocated to Catherine Moukheibir which was approved by the Supervisory Board of 27 March 2014. This remuneration only corresponds to fees paid to Catherine Moukheibir under her consultancy contract.
Annual Variable Remuneration	N/A	Catherine Moukheibir did not receive any annual variable remuneration.
Multi-year Variable Remuneration	N/A	Catherine Moukheibir did not receive any multi-year variable remuneration.
Exceptional Remuneration	N/A	Catherine Moukheibir did not receive any exceptional remuneration.
Stock options, Performance shares or any other element of remuneration on the long term	N/A	No stock options or performance shares were allocated during the 2014 financial year. For information purposes, it is reminded that Catherine Moukheibir holds as of 31 December 2014: - 100,000 BSA, allocated by the Executive Board of 29 July 2011; - 75,000 BSA, allocated by the Executive Board of 17 July 2013; and - 75,000 BSA, allocated by the Executive Board of 16 July 2014.
Attendance Fees	N/A	Likewise all members of the Executive Board, Catherine Moukheibir did not receive any attendance fees.
Valuation of any type of benefits	N/A	Catherine Moukheibir did not have a company car.
Exit Payment	N/A	Catherine Moukheibir did not receive any exit payment.
Non-compete compensation	N/A	Catherine Moukheibir did not receive any non-compete compensation.
Additional Pension Scheme	N/A	Catherine Moukheibir did not benefit from any additional pension scheme.

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c) Elements of the remuneration due or allocated under the financial year ended on 31 December 2014 to Nicolai Wagtmann, Member of the Executive Board

Elements of the remuneration	Amounts	Comments
Fixed Remuneration	161,928	Gross salary of 161,928 Euros under the 2014 financial year approved by the Supervisory Board of 27 March 2014 on recommendation by the Remuneration Committee. This remuneration only corresponds to the salaries paid to Nicolai Wagtmann under his employment contract
Annual Variable Remuneration (maximum: 27.5 % of the fixed remuneration)	46,185	On recommendation of the Remuneration Committee of 4 February 2015, the amount of Nicolai Wagtmann's variable remuneration under the 2014 financial year is estimated at 46,185 Euros. Given the quantitative and qualitative criteria set by the Remuneration Committee of 3 July 2014 and achieved acknowledged on 4 February 2015, the amount of the variable remuneration was estimated as such: - 37,537 Euros for quantitative criteria; - 8,648 Euros for qualitative criteria. The amount of variable remuneration under the 2014 financial year of Nicolai Wagtmann was therefore set at 46,185 Euros. The quantitative and qualitative criteria have been predefined and precisely defined but were not published for confidentiality reasons.
Multi-year Variable Remuneration	N/A	Nicolai Wagtmann did not receive any multi-year variable remuneration
Exceptional Remuneration	N/A	Nicolai Wagtmann did not receive any exceptional remuneration.
Stock options, Performance shares or any other element of remuneration on the long term	N/A	No stock options or performance shares were allocated during the 2014 financial year. For information purposes, it is reminded that Nicolai Wagtmann holds as of 31 December 2014: - 50,000 BSA allocated by the Executive Board of 18 September 2013.
Attendance Fees	N/A	Likewise all members of the Executive Board, Nicolai Wagtmann did not receive any attendance fees.
Valuation of any type of benefits	5,360	Nicolai Wagtmann had a company car.
Exit Payment	N/A	Nicolai Wagtmann did not receive any exit payment.
Non-compete compensation	N/A	Nicolai Wagtmann did not receive any non-compete compensation.
Additional Pension Scheme (element taken into account to determine the overall remuneration)	1,392	Nicolai Wagtmann benefitted from an "article 83" pension scheme with France Vie at a contribution rate of 2% of his gross salary, 1.20% of which is paid by the Company.

5. Company share repurchase Programme (Resolutions n°17 and 30)

We propose under resolution n°17, that you authorise the Executive Board in accordance with provisions of articles L.225-209 *et seq.* of the French Commercial Code, for a period

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of 18 months, the purchase of the Company's shares at a maximum purchase price which shall not exceed 20 Euros as part of the implementation of a share repurchase programme.

The maximum amount that the Company could allocate to the repurchase programme of its own shares may not exceed the amount of 1,000,000 Euros.

This authorisation is intended to allow the Executive Board to acquire a number of Company shares representing up to 10% of share capital of the Company, in order to:

- ensure liquidity and to promote the secondary market for the Company's securities, which would be accomplished by an investment services provider acting under a liquidity contract in compliance with ethics charter recognised by the *Autorité des Marchés Financiers*;
- retain the Company's shares that would have been purchased and ultimately use them in exchange or as payment within the context of potential external growth transactions, in accordance with stock market regulations;
- give the Company's shares during the exercise of the rights attached to securities giving access to share capital of the Company;
- allot shares to employees or officers of the Company, its subsidiaries in accordance with terms and conditions set forth by law, in particular in respect of the allocation of free shares, participation in the profits resulting from the expansion of the business, stock options plans or via a company savings' plan;
- cancel all or part of the repurchased shares, provided resolution n°30 below is adopted, by way of share capital reduction; and
- accomplish all other authorised goals or goals that could become authorised by law or recognised or that would be recognized as a market practice by the *Autorité des Marchés Financiers*, in which case the Company would inform its shareholders by way of a press release.

These purchase, assignment, exchange or transfer transactions may be carried out in any manner, in one or several instalments, or on a regulated market, on a multilateral trading facility, through a systematic internaliser or through an over-the-counter transaction, such as an acquisition or block trades, or by resorting to financial instruments.

It is specified that these transactions may not occur during public tender offers initiated by the Company or aimed at its securities.

Please See Paragraph II.4 below for a description of the resolution pertaining to the cancellation of shares.

II. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

1. Financial delegations authorising the Executive Board to increase the share capital (Resolutions n°18 to 24)

All of the internally planned developments (which are described in the Registration Document available on the Company's website) and potential external growth opportunities may require the strengthening of the capital of the Company. In this regard, it is reminded that the business model of the Company does not rely on sales or recurrent revenues and the Company does not have a product or service on the market. Also, the Company depends essentially on payments earned from partnerships discrete in nature and on funds raised to finance new projects. Hence, owing to these resolutions and in particular the "private placement" types of resolutions such as resolution n°20, the Company was able to rapidly and effectively strengthen in November 2013 and June 2014 its capital. Most of these transactions were placed with US institutional investors. This placement helped to secure financing for the development of a new asset which doubled the Company's portfolio of clinically tested candidates. It also resulted in an increase of the Company's outlook on this important segment of financial markets and an increase in liquidity (the share price having increased by 225% between the day preceding the fund-raising of November 2013 and the end of the year 2014 and the monthly averaged volumes having multiplied by more than 4). The management of the Company therefore deems essential to have, as always since its IPO, the whole range of instruments that may enable its best refinancing on the share markets.

We propose therefore to renew the financial delegations granted during the previous financial years and approve the following resolutions, standard for a listed company.

a) Delegation of authority to the Executive Board for the purpose of increasing the share capital, with preferential subscription rights (Resolution n°18)

It is proposed, that the Shareholders' Meeting delegates its authority to the Executive Board to decide, on the issuance, with shareholders' preferential subscription rights, of shares or any other securities giving access to share capital of the Company.

The overall nominal amount of share capital increases carried out pursuant to this delegation may not exceed a capped amount of 663,565 Euros (or a maximum dilution representing 25% of share capital of the Company), it being specified that this cap will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29.

The amount of securities representing debt securities giving access to share capital of the Company to be issued that could potentially be issued pursuant to this delegation will amount to a maximum of 1,730,000 Euros.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

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b) Delegations of authority to the Executive Board for the purpose of increasing share capital, without preferential subscription rights (Resolutions n°19 and 20)

N Delegation of authority to the Executive Board for the purpose of increasing the share capital, with preferential subscription rights, by way of a public tender offer

It is proposed under resolution n°19, that the Shareholders' Meeting delegates its authority to the Executive Board to decide, on the issuance, without shareholders' preferential subscription rights, of shares or any other securities giving access to share capital of the Company, by way of a public tender offer.

The Executive Board will have the option to grant shareholders a priority subscription period on all or part of the issuance of these securities.

The overall nominal amount of the issuances carried out pursuant to this delegation may not exceed a capped amount of 663,565 Euros (or a maximum dilution representing 25% of share capital of the Company), it being specified that this cap will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29.

The amount of securities representing debt securities giving access to share capital of the Company to be issued that could potentially be issued pursuant to this delegation will amount to a maximum of 1,730,000 Euros.

The issuance price of the shares and securities giving access to share capital, likely to be issued pursuant to the present delegation, would be determined by the Executive Board pursuant to the provisions of article L. 225-136 1° of the French Commercial Code, or currently a price at least be equal to the weighted average price of the shares during the last three stock market trading days preceding the date on which the issuance price is determined reduced, as the case may be, by a 5% maximum discount authorized by law.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

N Delegation of authority to the Executive Board for the purpose of increasing the share capital, with preferential subscription rights, through a private placement

It is proposed under resolution n°20, that the Shareholders' Meeting delegates its authority to the Executive Board to decide, on the issuance, without shareholders' preferential subscription rights, of shares or any other securities giving access to the share capital of the Company, through private placement with institutional investors.

The overall nominal amount of the issuances carried out pursuant to this delegation may not exceed a capped amount of 530,850 Euros, it being specified that this cap will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29. Furthermore, the amount of share capital increases carried out or likely to be carried out may not exceed 20 % of the amount of share capital pursuant to article L.225-136 3° of the French Commercial Code.

The amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation will amount to a maximum of 1,730,000 Euros.

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The issuance price of the shares and securities giving access to share capital, likely to be issued pursuant to the present delegation, would be determined by the Executive Board pursuant to the provisions of article L. 225-136 1° of the French Commercial Code and would at least be equal to the weighted average price of the shares during the last three stock market trading days preceding the date on which the issuance price is determined reduced, as the case may be, by a 5% maximum discount authorized by law.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

c) Delegation of authority to the Executive Board to determine the issuing price (Resolution n°21)

We propose that you delegate the authority of the Shareholders' Meeting to the Executive Board, to decide, during share capital increases without shareholders' preferential subscription rights representing no more than 10% of share capital per year, carried out under resolutions n°19 to 20, to derogate from price conditions provided for under these resolutions, and to set the issuance price of the ordinary shares or all securities giving access to share capital, in accordance with the following conditions: having taken into account market opportunities, the issuance price would at least be equal to the average weighted volumes (in the central offer book and off blocks and off market) of closing price of the Company share on Euronext Paris on the five stock market trading days preceding the day on which the issuance price was set, potentially reduced by a maximum 15% discount.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015.

d) Authorisation granted to the Executive Board to increase by 15% the number of securities to be issued in the event of excess demands (Resolution n°22)

We propose that you delegate the authority of the Shareholders' Meeting to the Executive Board, to decide, if it receives an excess demand during a share capital increase with or without shareholders' preferential subscription rights, carried out under resolutions n°18,19 and 20, to increase the number of securities to be issued at the same price as that retained for the initial issuance.

This option enables, within the context of an issuance of securities, to issue within 30 days of the closing of the subscription period, additional securities of a maximum amount of 15% of the initial issuance, subject to the overall nominal capped amount of 855,595 Euros set under resolution n°29.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015.

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e) Delegations of authority to the Executive Board for the purpose of increasing the share capital, without preferential subscription rights , by way of acquisition transactions (Resolutions n°23 and 24)

As part of the research for new products, the Company may have to acquire other companies, listed or not, and make these acquisitions by using securities. This is the aim of the two following resolutions.

N Delegation of authority to the Executive Board for the purpose of increasing share capital without preferential subscription rights, as compensation for contributions in kind comprised of equity securities or securities giving access to share capital

The Company should be able to pay for potential acquisitions by remittance of ordinary shares or securities giving access to the ordinary shares.

It is proposed under resolution n°23, that the Shareholders' Meeting delegates its authority to the Executive Board to decide, on the issuance, without shareholders' preferential subscription rights, of shares or any other securities giving access to the share capital of the Company, in order to compensate for contribution in kinds made to the Company and comprised of equity securities or securities giving access to share capital of the Company.

This option would be limited to 10% of share capital of the Company, it being specified that this cap will be deducted from the overall nominal amount of 855,595 Euros set under resolution n°29.

The amount of securities representing debt securities giving access to share capital of the Company to be issued that could potentially be issued pursuant to this delegation will amount to a maximum of 1,730,000 Euros.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

N Delegation of authority to the Executive Board for the purpose of increasing share capital without preferential subscription rights, in the event of an exchange public offer initiated by the Company

The Company should reserve the option to be able to issue equity securities during a potential exchange public offering initiated by the Company.

It is proposed under resolution n°24, that the Shareholders' Meeting delegates its authority to the Executive Board to decide on the issuance, without shareholders' preferential subscription rights, of shares or any other securities giving access to the share capital of the Company, in order to carry out an exchange public offering or a similar transaction on the securities of another company.

The overall nominal amount of the issuances carried out pursuant to this delegation may not exceed a capped amount of 663,565 Euros (or a maximum dilution representing 25% of share capital of the Company), it being specified that this cap will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29.

The amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation will amount to a maximum of 1,730,000 Euros.

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This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

2. Remuneration instruments of directors, corporate officers, employees and consultants (Resolutions n°25 to 28)

The Company is committed to continue to motivate and retain employees and officers of the Company and its subsidiaries, as well as consultants of the Company. In compliance with good governance practices, the Company would like to renew the free allocation of shares and granting of subscription warrants ("BSA") and refundable warrants for shares subscription and/or acquisition ("BSAAR") to these categories of persons.

A policy on the allocation of Company's equity investment instruments to employees was therefore established by the Company and is renewed every year by the Supervisory Board upon recommendation of the Remuneration Committee, taking into account the achievement of Company's performance-related targets, in order to involve them in the long term value of the business. This remuneration policy is also approved every year by the Shareholders' Meeting through the vote of specific resolutions described below. The amount of instruments allocated includes the hierarchical ranking and the contribution to the achievement of predefined targets.

As such, it is reminded that the consultants that may receive BSA or BSAAR are (i) Catherine Moukheibir and Marcel Rozenzweig who are not employees and not eligible for bonus, and (ii) members of Scientific Advisory Board.

The main terms and conditions of allocation and/or exercise of these various instruments have already been determined by the Supervisory Board upon recommendation of the Remuneration Committee and are described below in Paragraph "Principles for attributing equity investment instruments".

Furthermore, we propose also that you renew the delegation of authority to the Executive Board to decide on share capital increases for the benefit of employee members of company savings' plan (PEE) in order to involve employees in the Company's value creation, provided that this plan shall not be combined with free shares.

Ñ **Principles for attributing equity investment instruments**

The attribution of share capital investment instruments made to officers, employees and consultants of the Company is subject to performance conditions and to an acquisition period set by the Supervisory Board at the time of the attribution pursuant to the recommendations made by the Remuneration Committee and after approval by the Supervisory Board. The subscription and/or exercise price of these instruments is determined by the Executive Board in accordance with the terms determined by the Shareholders' Meeting. These allocations are considered on an annual basis or every two years.

According to the recommendations of the Remuneration Committee on 4 February 2015:

Ñ the Executive Board shall determine an acquisition period spread over a maximum period of four years for the attributed BSAAR, with a requirement of the presence of the beneficiaries in the Company at the moment of exercising each tranche of the BSAAR. The acquisition of BSAAR shall be subject to performance requirements taking into account the achievement of previously defined targets over the past

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financial year by the Remuneration Committee and approved by the Supervisory Board . Furthermore, the Executive Board may provide for an accelerated exercise, should specific targets be achieved over a long term period. The allocation of BSAAR concerns all employees of the Company, its consultants and its officers, excepting members of the Supervisory Board.

Ñ the free shares will be offered to all employees as an alternative payment of a part of their variable remuneration. Hence, the attribution of free shares shall be subject by the Supervisory Board to (i) the achievement of performance criteria predefined by the Remuneration Committee and approved by the Supervisory Board and (ii) an acquisition and retention maximum period of four years.

a) Delegation of authority to the Executive Board for the purpose of issuing share subscription warrants for the benefit of members of the Supervisory Board and consultants

It is proposed under resolution n°25, that the Shareholders' Meeting delegates its authority to the Executive Board to decide on the issuance, without shareholders' preferential subscription rights, of BSA for the benefit of any natural or legal person member of the Supervisory Board (including following the resolutions submitted to this Shareholders' Meeting) or Company consultant under contractual relationship with the Company at the date of Supervisory Board authorizing the principle of using this delegation of authority by the Executive Board.

The overall nominal amount of the issuances carried out pursuant to this delegation may not exceed a capped amount of 7,500 Euros (or a maximum dilution representing 0.28% of share capital of the Company), it being specified that this cap will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29.

The Executive Board (i) will determine the precise list of beneficiaries within the category of beneficiaries as well as the number of BSA to be issued for the benefit of each beneficiary; (ii) will determine the characteristics, amounts and terms and conditions of any issuance, as well as the terms and conditions for paying up the issued securities, it being specified that a BSA would give right to subscribe to a Company share; and (iii) will set the subscription price and the exercise price of such BSA, their dividend entitlement date (*date de jouissance*), it being specified that the amount paid or that should be paid to the Company for each share issued within the context of this delegation, will be at least equal to the average of the closing prices of the share during the last ten stock market trading days preceding the time of allocation of the BSA, potentially reduced by a 10% maximum discount, it being specified that the subscription price of the BSA will be equal to 10% of the exercise price of the BSA as calculated above and that the amount paid upon subscription of the BSA shall be deducted from the amount due upon exercise.

This delegation would be granted for a period of 18 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

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b) Delegation of authority to the Executive Board for the purpose of issuing share subscription and/or refundable share acquisition warrants for the benefit of employees, corporate officers and consultants

It is proposed under resolution n°26, that the Shareholders' Meeting delegates its authority to the Executive Board to decide on the issuance, without shareholders' preferential subscription rights, of BSAAR for the benefit of employees and corporate officers of the Company or its French or foreign subsidiaries or of consultants of the Company in a contractual relationship with the Company at the date of Supervisory Board authorizing the use of this delegation of authority by the Executive Board. It is not intended under this resolution to issue BSAAR for the benefit of members of the Supervisory Board.

The overall nominal amount of the issuances carried out pursuant to this delegation may not exceed a cap amount of 75,000 Euros (or a maximum dilution representing 2.83% of share capital of the Company), it being specified that this cap will be deducted from the overall nominal cap amount of 855,595 Euros set under resolution n°29. Please note that the Remuneration Committee considered, taking into account improvements made in 2014, that an exceptional allocation would compensate for the lack of BSAAR allocation since 2012, and as a result the cap will be increased in comparison to the previous year.

The Executive Board (i) will determine the precise list of persons authorised to subscribe BSAAR as well as the number of BSAAR capable of being subscribed by each of them; (ii) will determine the characteristics of the BSAAR, in particular their subscription price which will be set, after consultation of an independent expert, according to considerations that may affect its value, as well as the terms and conditions of the issuing contract; (iii) will set the subscription or acquisition price per exercise of the BSAAR, it being specified that a BSAAR will give right to subscribe to (or acquire) a Company share at a minimum price equal to the subscription price of the last share capital increase made by the Company, that is 8 Euros per share reduced by a maximum discount of 10%; and (iv) will determine the conditions of performance. The beneficiaries would have to pay the subscription price determined by the Executive Board at the time of subscription, it being specified that an independent expert will be appointed by the Company to issue a report on the reasonableness of the subscription price.

Please also note that the maximum amount of BSAAR for one individual is set at 250,000.

This delegation would be granted for a period of 18 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

c) Delegation of authority to the Executive Board for the purpose of allocating free shares to employees and directors

It is proposed under resolution n°27, that the Shareholders' Meeting authorises the Executive Board to allocate an amount of 100,000 Euros ordinary free shares, existing or new, of a nominal value of 0.05 Euro each, for the benefit of employee members of personnel of the Company and eligible managers.

As specified in Paragraph "Principles for attributing share capital investment instruments" above, free shares will be offered to all employees as an alternative of the partial payment of their variable remuneration.

If all the free shares are allocated, it will be new shares, it will result in a share capital increase of 5,000 Euros (or a maximum dilution representing 0.19% of share capital of the

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Company), it being specified that this amount will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29 and that the overall nominal amount of share capital increases likely to be carried out immediately or in the future pursuant to the present delegation and resolution n°28 may not exceed 10,000 Euros.

The Executive Board shall determine during each allocation, (i) an acquisition period after which the allocation of existing or new shares will become final, and/or (ii) a retention period starting from the final allocation of existing or new shares, subject to the minimum periods prescribed by law. The Executive Board shall have the option to choose between these two possibilities and to justify them alternatively or simultaneously and may in the first case, extend the acquisition and/or retention period, and in the second case, extend the acquisition period and/or determine a retention period, always subject to minimum periods prescribed by law.

This delegation would be granted for a period of 38 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

d) Delegation of authority to the Executive Board for the purpose of increasing share capital without preferential subscription rights, for the benefit of employees

It is proposed under resolution n°28, that the Shareholders' Meeting delegates to the Executive Board its authority to decide on the issuance of Company shares or securities giving access to share capital of the Company, without shareholders' subscription rights, for the benefit of members of a company savings' plan established in the Company or its group, up to a maximum nominal amount of 10,000 Euros (or a maximum dilution representing 0.38% of share capital of the Company), it being specified that this cap will be deducted from the overall nominal capped amount of 855,595 Euros set under resolution n°29 and that the overall nominal amount of share capital increases likely to be carried out immediately or in the future pursuant to the present delegation and resolution n°28 may not exceed 10,000 Euros. It is intended to implement this resolution only if resolution n°27 authorising the allocation of free shares is partly used or not used at all.

The subscription price of existing and new shares would be equal to 80% of the weighted average of Company share prices during the last twenty stock market trading days preceding the date on which the start of subscription was set, while the lock-up period provided under the savings plan pursuant to article L.3332-25 *et seq.* of the French Labour Code is less than ten years, and than 70% of this average and while such lock-up period is greater than or equal to ten years.

This delegation would be granted for a period of 14 months as from the date of the Shareholders' Meeting of 27 April 2015, it being specified that prior to using this delegation, the delegation must be submitted to the Supervisory Board.

Equity participation of employees' (with registered shares and excluding corporate officers) in the share capital amounts to 365 555 shares, or 0.69% of shares in the non-diluted share capital and issued on February 27, 2015.

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3. Overall limitations on authorisations (Resolution n°29)

We propose that you cap the overall limitation on authorisations which may be granted at an overall nominal amount of 855,595 Euros (or a maximum dilution representing 32.4% of share capital of the Company). It is specified that the nominal amount of shares to be issued as part of adjustments made to protect the holders of rights attached to securities giving access to the share capital, will potentially be added to this amount.

This cap will be applicable to resolutions n°18, 19, 20 and 22 to 28 of the Shareholders' Meeting of 27 April 2015 and be composed as follows:

- 763,095 Euros under resolutions n°18, 19, 20, 22, 23 and 24 (or a maximum dilution representing 28.75 % of share capital of the Company);
- 7,500 Euros under resolution n°25 (or a maximum dilution representing 0.28 % of share capital of the Company);
- 75,000 Euros under resolution n°26 (or a maximum dilution representing 2.83 % of share capital of the Company);
- 10,000 Euros under resolution n°27 and 28 (or a maximum dilution representing 0.38 % of share capital of the Company).

The following table summarises these features.

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Capital increase with « DPS »*	Capital increase without « DPS »*		Capital increase without « DPS »* for M&A operation		Compensation instruments for employees and management members			
# 18: Capital increase with «DPS» (rights offerings)	# 19: Capital increase without «DPS» to the public at large	# 20: Capital increase without «DPS» by private placement Limited by law to 20% of the share capital	# 23: Capital increase in order to acquire securities of non-listed companies with new Innate shares Limited by law to 10% of the share capital	# 24: Capital increase in order to acquire securities of listed companies with new Innate shares (exchange offer)	# 25: Issuance of 150.000 warrants (BSA) for independent members of the Board and members of the SAB	# 26: Issuance of 1.500.000 warrants (BSAAR) for employees, executive managers and members of the SAB	# 27: Issuance of 100.000 free shares for employees and executive managers	# 28: Capital increase reserved for employees of the company
# 22: Possibility to increase by 15% 3.75% of capital							# 29: Cap on the overall number of shares 0.38% of capital	
25% of capital	25% of capital	20% of capital	10% of capital	25% of capital	0.28% of capital	2.83% of capital	0.19% of capital	0.38% of capital
# 30: Cap on the overall number of shares: 25% + 3.75% + 0.28% + 2.83% + 0.38% = maximum dilution of 32.24%								

*« DPS » = Shareholders' preferential subscription right

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4. Cancellation of shares under the share repurchase programme (Resolution n°30)

The targets of the share repurchase programme, subject of resolution n°17 include amongst others the cancellation of the acquired shares. As such, we would like you to grant, by your vote, authorisation to the Executive Board for a period of 24 months, to cancel all or part of the shares of the Company which it may acquire under a share repurchase programme, up to the 10% limit of shares comprising the share capital of the Company in periods of 24 months.

5. Modification of the articles of association: exclusion of double voting rights (Resolution n°31)

Pursuant to Law No. 2014-384 of 29 March 2014 aiming to regain the economy, amending the provisions relating to double voting rights provided for in article L.225-123 of the French commercial Code, it is proposed:

- not to confer double voting rights to (i) fully paid shares of the Company for which it is justified to have been registered by the same shareholder during two years, and (ii) registered Company shares freely allocated as part of a share capital increase by incorporation of reserves, profits or share premiums, to a shareholder;
- to amend the articles of association by adding a sentence in the second paragraph of article 12 of the articles of association entitled "Rights and obligations attached to shares", which paragraph shall be read as follows, the rest of the article remaining unchanged:

"The shares also give the right to vote and to be represented in Shareholders' Meetings under legal requirements and requirements provided under the articles of association. The Company's shares (including shares of the Company which may be freely allocated as part of a capital increase by incorporation of reserves, profits or share premiums) do not benefit from double voting rights pursuant to the last paragraph of Article L.225-123 of the French Commercial Code."

The text of the new articles of association of the Company will enter into force at the end of the Shareholders' Meeting of 27 April 2015

6. Powers to complete formalities (Resolution n°32)

It is proposed that the Shareholders' Meeting grants full powers to the holder of an original, a copy, or an excerpt of the minutes of the Shareholders' Meeting of 27 April 2015 for the purpose of completing legal formalities.

* * *

Should you approve our various proposals, please confirm with your vote by adopting these resolutions which shall be read to you and have been kept available at the registered office during the fifteen days preceding the Shareholders' Meeting of 27 April 2015, in accordance with law.

The Executive Board