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***INNATE PHARMA***

**Statutory auditors' special report on regulated agreements  
for the year ended December 31, 2011**

**(General meeting to approve the financial statements  
for the year ended 31 December 2011)**

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**Statutory auditors' special report on regulated agreements for the year ended December 31,2011**

**(General meeting to approve the financial statements for the year ended 31 December 2011)**

**Innate Pharma SA**  
117, avenue de Luminy  
BP 30191  
13276 Marseille Cedex 09

To the shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments with related parties.

The terms of our engagement do not require us to identify other such agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R.225-58 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Furthermore, it is our responsibility to communicate to you the information set out in article R. 225-58 of the French commercial code relating to the execution, during the year presented, of agreements and commitments with related parties already approved by the general meeting.

We conducted our procedures in accordance with professional standards applicable in France; those standards require that we perform the necessary procedures to verify that the information provided to us is consistent with the documentation from which it has been extracted.

**AGREEMENTS AND COMMITMENTS SUBJECT TO GENERAL MEETING APPROVAL**

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**Agreements and commitments authorised during the year**

Pursuant to Article L.225-88 of the French Commercial Code, the following agreements, previously authorized by the Supervisory Board of your Company, have been brought to our attention.

**Agreement with Catherine Moukheibir, member of the Executive Board from 5 May 2011**

A consulting contract dated 18 April 2011 was signed between Innate Pharma and Catherine Moukheibir, coming into force from 1 March 2011 to act in the capacity of "Senior Advisor, Finance". Under this

agreement, Catherine Moukheibir received an amount of 186,000 Euros in remuneration for her services performed between 1 March 2011 and 31 December 2011.

## **AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS YEARS WITH CONTINUING EFFECT DURING THE YEAR**

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### **Agreements and commitments approved in previous years**

Pursuant to Article L.225-57 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, approved in previous fiscal years, continued throughout the year.

#### **Agreements with Hervé Brailly, Chairman of the Executive Board**

##### Remuneration:

Hervé Brailly received a fixed monthly remuneration of 15,000 Euros for the six month-period from January to June, then 16,670 Euros for the six months from July to December under his employment contract. He also received a collective bonus of 11,669 Euros for 2011, as well as a supplementary 3,750 Euros of collective bonus for 2010. Furthermore, in 2011 Hervé Brailly benefited from the payment of an individual bonus of 30,250 Euros for 2010 and 50,000 Euros as an exceptional bonus for 2011.

##### Retirement benefit plan “article 83”:

Hervé Brailly also benefited from an “article 83” retirement policy from France Vie at a rate of 2% of gross salary, 1.20% of which is borne by the company Innate Pharma. The amount incurred by Innate Pharma for 2011 is 2,366 Euros.

##### Social security guarantee agreement for Company management (“Convention de Garantie Sociale des Chefs et Dirigeants):

This agreement guarantees the payment of an indemnity in the case of unemployment (limited to 70% of the last professional income declared to the tax authorities), to Company managers and officers who cannot benefit from ASSEDIC payments. This agreement was implemented from 1 April 2006 following the authorisation of the Supervisory Board on 23 September 2005. The amount incurred by Innate Pharma for 2011 is 7,338 Euros.

##### Company car:

Hervé Brailly benefits from a long-term company car leasing agreement in accordance with the terms agreed by the remuneration committee on 19 January 2007. The related costs for 2011 amounted to 2,280 Euros.

#### **Agreements with François Romagné, member of the Executive Board**

##### Remuneration:

François Romagné received a fixed monthly remuneration of 12,085 Euros for the six month-period from January to June, then 13,334 Euros for the six months from July to December under his employment contract. He received a collective bonus of 9,334 Euros for 2011, as well as a supplementary 3,021 Euros

of collective bonus for 2010. Furthermore, in 2011 François Romagné benefited from an individual bonus of 15,400 Euros for 2010 and 30 000 Euros as an exceptional bonus for 2011.

Retirement benefit plan “article 83”:

François Romagné also benefited from an “article 83” retirement policy from France Vie at a rate of 2% of gross salary, 1.20% of which is borne by the company Innate Pharma. The amount incurred by Innate Pharma for 2011 is 1,698 Euros

Company car:

François Romagné benefits from a long-term company car leasing agreement in accordance with the terms agreed by the remuneration committee on 19 January 2007. The related costs for 2011 amounted to 1,920 Euros.

**Agreement with the limited liability company Inserm Transfert, of which Hervé Brailly, Chairman of the Executive Board, is a member of the Supervisory Board**

On 7 September 2009, a "Partnership Agreement" was signed by your Company with the company Inserm Transfert. As part of this contract, your Company is authorised to value certain assets and intellectual property rights belonging to Inserm.

In exchange for this right to carry out non-exclusive valuations of these assets and intellectual property, your Company agreed to pay the sum of 60,000 Euros per year for a period of 3 years.

On 31 December 2010 your Company paid Inserm Transfert the sum of 60,000 Euros as part of this contract.

**Agreement with the limited liability company Inserm Transfert, of which Hervé Brailly, Chairman of the Executive Board, is a member of the Supervisory Board**

On 17 December 2010, Inserm Transfert and Innate Pharma signed a Partnership Agreement through which Innate Pharma and the CIML hoped to develop an antibody engineering technology which would be co-owned by the two parties. This agreement grants Innate Pharma an exclusive license to use the results.

At the date of the signature of this contract, Innate Pharma paid 75,000 Euros.

The option of a supplementary programme for an amount of 96,666 Euros has not been exercised at this stage.

However, the parties have expressed their wishes to carry out supplementary work, defined by amendment n°1, signed on 28 June 2011 for an amount of 77,000 Euros. This work is expected to take place during 2012.

**Agreement with the shareholder Novo Nordisk A/S**

On 16 December 2010, Novo Nordisk A/S and Innate Pharma signed amendment n°4 to their collaboration agreement, modifying the field of their respective developments, with no financial impact.

Amendment n°5 was also signed on 5 January 2011 between the parties to update the list of patents.

Amendment n°6 was signed on 5 July 2011 to align certain terms of the contract with the BMS agreement signed by Innate Pharma on 6 July 2011. These two amendments have no major impact on the obligations of Innate Pharma as part of the initial contract. They were not approved by the Supervisory Board beforehand due to an involuntary omission.

Marseille, April 26, 2012

The statutory auditors

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