

**CERENIS THERAPEUTICS HOLDING**

Limited-liability company (société anonyme) with a Board of Directors and capital of  
EUR 915,413.15

Registered office: 265, rue de la Découverte, 31670 Labège  
Toulouse Trade and Companies Register no. 481 637 718

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**INTERNAL RULES AND PROCEDURES  
OF THE BOARD OF DIRECTORS**

Updated by decisions  
of the Board of Directors on March 6, 2018

# INTERNAL RULES AND PROCEDURES

## PREAMBLE

The Board of Directors of the company Cerenis Therapeutics Holding (the **Company**) has decided to adopt the following operating rules, which constitute the internal rules and procedures of the Board of Directors (the **Internal Rules and Procedures**).

The Internal Rules and Procedures are intended for internal use and do not replace the Company's bylaws, but rather implement the latter in a practical way. Each director is individually bound to respect the Internal Rules and Procedures. The resulting obligations also apply to the permanent representative of a legal entity who is a member of the Board as well as to natural persons who are members of the Board. However, they cannot be enforced against the Company by third parties.

These regulations include provisions for Board members' obligations relating to the holding of privileged information.

These provisions supplement those of the company's code of ethics, whether current or awaiting official adoption, which applies to all insiders.

## **ARTICLE 1 – ATTRIBUTIONS OF THE BOARD OF DIRECTORS**

The Board of Directors determines the Company's business guidelines and ensures their implementation. It handles any issue involving the proper operation of the Company and settles, by its deliberations, the matters concerning the Company. Within this framework, the Board of Directors approves, prior to their implementation by the Senior Management, the Company's significant transactions:

- Any decision to proceed with a transfer of any substantial asset or of any substantial intellectual/industrial property belonging to the Company;
- Any decision to proceed with an acquisition of strategic assets, notably an element of industrial property in favor of the Company;
- Any decision to proceed with the creation of a subsidiary or the completion of any transaction on the securities of any subsidiaries of the Company;
- Any significant decision of setting up an establishment abroad.

Moreover, the Chief Executive Officer shall submit for approval by the Board of Directors the Company's annual budget, as well as every amendment thereof and shall act within the limits prescribed by the budget as approved by the Board of Directors.

The Board carries out the controls and verifications that it deems appropriate and can obtain any documents it deems useful for performing its duties.

## **ARTICLE 2 – RULES APPLICABLE TO DIRECTORS**

### 2.1 General obligations

The director represents all the shareholders and shall act under all circumstances in the best interests of the Company.

Each director, before accepting his/her term of office as director, shall read the laws and regulations relating to his/her function as well as the requirements specific to the Company resulting from the bylaws and from the internal operating procedures of the Board of Directors. For that purpose, the Company will provide him/her with a copy of the bylaws and of the Internal Rules and Procedures in force, which the director will be required to sign.

The director shall also ensure that the acceptance of the term of office as director on the Board of Directors of the Company does not contravene the legal provisions regarding the number of offices that one director may hold cumulatively.

Each director shall dedicate the necessary time and attention to his/her duties. Each director undertakes, in particular, to maintain his/her independence of analysis, of judgment, and of action, and to actively participate in the works of the Board. He/she undertakes to attend all meetings of the Board of Directors according to a predetermined schedule sent to him/her, and to make himself/herself available for any meetings of an exceptional nature. He/she undertakes, where appropriate, to attend all meetings of the Committees of which he/she is a member. The Board encourages members to attend meetings in person as far as possible. When this is not possible, videoconference calls are preferred to telephone calls.

The acceptance of the term of office by each director also implies his/her commitment to make any proposals that would improve the operation and the works of the Board and of its Committees.

#### 2.2 Right to non-disclosure and confidentiality – professional secrecy

Each director, even after the termination of his/her duties, shall be bound by an absolute obligation of confidentiality with regard to the discussions and deliberations of the Board of Directors and the information to which he/she was privy, except where such disclosure is required or allowed by the legal or regulatory provisions in force or if it would be in the public interest.

The members of the Board of Directors shall be bound to keep deliberations secret. The Board of Directors may communicate collectively outside the Company, particularly in the form of press releases intended to provide the markets with information.

Apart from the Chairman, the directors explicitly undertake not to communicate individually except during the internal deliberations of the Board of Directors or at the invitation of the Chairman or with the latter's consent, particularly at shareholders' meetings.

As for non-public information obtained in connection with the performance of his/her duties, the director shall consider himself/herself to be bound by an obligation of professional secrecy that goes beyond the mere obligation of discretion provided for in legal texts.

#### 2.3 Right to information and duty to provide information of the Board of Directors and of the directors

The directors are entitled to receive all information necessary to fulfill their duties and they may obtain, prior to any meeting, all documents that they deem as useful within a sufficient time frame.

The Chairman of the Board of Directors is responsible for (i) disclosing to the members of the Board of Directors the appropriate information in accordance with the circumstances and the items provided for in the Board's agenda and (ii) informing the members of the Board of Directors by any means, of the Company's financial position, of its cash position, of its commitments as well as of all significant events and transactions relating to the Company.

Each director may receive, at his/her request, additional training about the Company's specificities, its occupations and its business sectors.

The director undertakes to prepare sufficiently for meetings of the Board and of the Committees on which the Board has requested the director to sit, and to allow adequate time to review the files that are submitted to him/her. The annual report indicates the terms of office that have been fulfilled, abandoned or accepted by the director during the year and reports on his/her attendance at the meetings of the Board and of the Committees of which he/she is a member.

#### 2.4 Duty of communication

The director undertakes to clearly express his/her possible opposition to any draft decision that he/she deems as likely to prejudice the Company. He/she also undertakes, more generally, to express his/her vote clearly and unequivocally so that the deliberations of the Board can lead to decisions being taken.

#### 2.5 Conflict of interest – non-compete obligation

Each director has a duty and obligation to spontaneously inform the Board of Directors of any situation of conflict of interest, even if such situation is only potential or future with the Company, or one of its subsidiaries, in which he/she is or he/she is likely to be. He/she must refrain from participating in discussions and voting in the corresponding deliberation(s), and may be asked to resign.

The Chairman of the Board of Directors or half of the directors present can also decide that the director should refrain from participating in discussions and the vote pertaining to the corresponding deliberation(s). Furthermore, the director undertakes, in this case, to leave the meeting of the Board of Directors for the duration of the discussions and of the vote pertaining to the corresponding deliberation(s).

The director may be liable for any failure to comply with these rules of abstention or withdrawal.

In addition, the Chairman of the Board of Directors will not be required to send information or documents pertaining to the topic of conflict to certain director(s) when he has sufficient grounds to believe that such director(s) may be affected by a conflict of interest, and will inform the Board of Directors that no such information has been sent.

Any agreement, the conclusion of which is planned between a director and the Company, directly or indirectly or through an intermediary, or between the Company and a company or a business of which he/she is an owner, an associate with unlimited liability, a Manager, a director, a Supervisory Board member or in general an executive officer, except for those relating to current operations and concluded under normal conditions within the meaning of Article L. 225-39 of the French Commercial Code, must be disclosed by the director concerned to the Chairman of the Board of Directors. During the deliberation of the Board of Directors having the effect of authorizing the conclusion of the said agreement, the director will refrain from participating in the vote.

A director, or the permanent representative if the director is a legal entity, may not personally make commitments toward undertakings or businesses competing with the Company, without informing the Board of Directors beforehand and having obtained the latter's authorization.

A director who would no longer consider himself/herself able to fulfill his/her duty within the Board or the Committees of which he/she is a member, must resign.

#### 2.6 Obligation for shares held by directors to be held in registered form

All the shares owned by a director must be held in registered form, either pure or administered.

## 2.7 Code of conduct applying to stock exchange transactions

In carrying out his or her duties, each member of the Board of Directors shall have regular access to privileged information. It is restated that privileged information is information of a precise nature that has not been published, and which concerns, directly or indirectly, one or more issuers, or one or more financial instruments, and which, if published, could significantly influence the price of the financial instruments concerned or the price of derivatives associated with them.

Accordingly, each member of the Board of Directors appears on the list of insiders drawn up by the Company and held at the disposal of the AMF.

When he or she holds such information, a member of the Board of Directors must abstain<sup>1</sup>:

- from engaging or attempting to engage in insider dealing (“Insider Dealing”), specifically:
  - by acquiring or disposing of, for his/her own benefit or on behalf of a third party, directly or indirectly, financial instruments to which this information relates
  - by canceling or amending previously approved orders on the Company’s financial instruments;
- from recommending or attempting to recommend that another person become involved in Insider Dealing or encouraging or attempting to encourage another person to become involved in Insider Dealing, on the basis of privileged information,
- from unlawfully disclosing or attempting to disclose privileged information, i.e., disclosing this information to another person, except when this disclosure is necessary in the normal course of the exercise of his/her employment, occupation or duties.
- from acting on or forwarding a recommendation or encouragement from an insider if the person knows or should know that it is based on privileged information.

The prohibited behavior detailed above may lead, in certain cases, to a public prosecution before a criminal judge or administrative action before the disciplinary tribunal of the AMF.

The penalties that may be imposed are as follows<sup>2</sup>:

- The AMF’s disciplinary tribunal may issue a fine to offending institutions, which may be up to EUR 100,000,000 or equal to ten times the amount gained as a result of the breach.
- The criminal judge may impose the following sanctions on offending institutions:
  - A EUR 100,000,000 fine. This amount may be increased to ten times the amount gained as a result of the offense, and this fine may not be lower than that amount,
  - Five years’ imprisonment.

The members of the Board must abstain from trading in the Company’s securities (particularly through the exercise of stock options, sale of shares, including shares acquired through the exercise of options or bonus share allocations, share purchases):

- a minimum of **30 calendar days** before the publication of the report on the annual and interim financial statements,
- a minimum of **15 calendar days** before each earnings announcement

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<sup>1</sup> Articles 8, 10 and 14 of Regulation (EU) No. 596/2014 on market abuse

<sup>2</sup> The procedures used for the allocation of roles between the AMF and the public prosecutor were revised to respect the principle of “non bis in idem”, which prohibits the duplication of proceedings for the same offense (see decision of the Constitutional Council dated March 18, 2015).

Furthermore, it is recommended that members of the Board who wish to invest in securities verify that the information to which they are privy is not privileged information.

To do this, they may request, if they so wish, advice from the Company's compliance officer before taking action. Such advice shall be given on a purely consultative basis, and the decision to invest or not in the securities remains the sole responsibility of the person concerned.

## 2.8 Reporting of the Company's securities transactions

The members of the Board of Directors and the senior management of the Company must inform the AMF and the Company of any transaction made by them or on their behalf, relating to financial instruments issued by the Company or associated financial instruments.

This duty of disclosure applies both to the permanent representatives of legal entities that are members of the Board of Directors as well as to the legal entities themselves.

However, transactions carried out with a cumulative amount not exceeding EUR 20,000 for the current calendar year do require prior notification.

This information must be provided electronically within three business days following the transaction:

- To the AMF via the ONDE system (<https://onde.amf-france.org/remiseinformationemetteur/client/ptremiseinformationemetteur.aspx>);
- To the Company, at: tupin@cerenis.com

Each member of the Board of Directors must notify his/her spouse (when not legally separated), civil partner, dependent children, parents or partner resident at his/her home for at least one year and/or any legal person, trust or partnership in which he/she exercises management responsibilities directly or indirectly or which was created for his/her benefit, or whose economic interests are largely equivalent to his/hers, or which is subject to the same obligation as him/her. He/she must retain a copy of this notice.

Furthermore, as quickly as possible, the Chief Executive Officer shall inform the members of the Board of any securities transactions that he has performed<sup>3</sup>.

## **ARTICLE 3 – COMPOSITION - MEETINGS – DELIBERATIONS - FEES**

### 3.1 Composition

The Board of Directors, in its proposals, shall ensure that its own composition and those of the Committees, which it decides, is balanced, adapted to the needs of the Company by the skills, experience and representativeness of the directors called on to form the Board.

The Board of Directors shall include at least three (3) independent directors. This number may be reduced to two (2) members if the Board is composed of five (5) members or less.

The status of independent director is granted in accordance with the provisions of the MiddleNext corporate governance code, i.e.:

1. they must not be a salaried employee or executive corporate officer of the Company and must not have held such a position within the last five years;
2. they must not have a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.) or have had such a relationship within the last two years;

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<sup>3</sup> Position-recommendation 2016-08 dated October 26, 2016 – Guidelines for permanent information and the management of privileged information (§2.1.2.4)

3. they must not be a major shareholder of the Company or hold a significant percentage of voting rights;
4. they must not have a close relationship with or be a close family member of a corporate officer or major shareholder;
5. they must not have been an auditor of the Company's financial statements within the last six years.

It is the responsibility of the Board of Directors to examine the situation of its members on a case by case basis in the light of the criteria listed above and to make its decisions known to the shareholders of the Company when electing the members of the Board. A director's independence shall be assessed upon their first appointment and each subsequent year thereafter, at the time of drafting the report on corporate governance.

On condition that it justifies its position, the Board may consider one of its members to be independent if they do not fulfill all these criteria, and may consider one of its members who does fulfill all these criteria not to be independent.

### 3.2 Meetings – deliberations

The Board of Directors shall meet, either at its registered office, or at any other place indicated by the party convening the meeting, upon invitation by its Chairman or by the director to whom the duties of the Chairman of the Board of Directors are temporarily delegated in the event of the Chairman's absence.

The Board of Directors shall meet at least four times a year and whenever circumstances so require. In addition, if the Board has not met in over two (2) months, the directors representing at least one third of the Board members may, by indicating the agenda of the meeting, ask the Chairman of the Board of Directors to convene such a meeting.

The Chief Executive Officer, in the event that the functions of the Chief Executive Officer are separate from those of the Chairman of the Board of Directors, may ask the Chairman of the Board of Directors to convene the Board of Directors on the basis of a predetermined agenda.

The Chairman of the Board of Directors is bound by the requests that are addressed to her/him pursuant to the preceding two paragraphs.

The meeting invitations shall be sent by any means with at least five days' notice. The invitation may also be provided verbally and immediately:

- provided that all directors agree; or
- provided that the Board is convened by the Chairman at a Meeting.

The meetings of the Board are chaired by the Chairman of the Board of Directors or by the director to whom the Chairman's duties have been temporarily delegated, or in their absence, by the oldest of the directors participating in the meeting, or by a director chosen by the Board at the beginning of the meeting.

Any director may be represented by letter, telegram, fax or email, by one of his/her colleagues, for the purposes of voting on his/her behalf at a specific meeting of the Board, it being specified that each director may only use one proxy for the same meeting.

However, in order for the deliberations to be valid, at least half of the directors must be present in order to fulfill the quorum requirement.

Decisions are taken by a majority vote of the members present or represented; where voting is tied, the Chairman of the meeting does not have a casting vote.

An attendance register is maintained at the Company's registered office and signed by all directors participating in each meeting of the Board. However, the names of directors participating remotely in the Board meeting shall be recorded in the register by the Chairman of the meeting, noting that they shall attend the meeting via videoconference or another means of telecommunication through which they may be identified and which shall ensure their effective participation, and that they shall be deemed to be present for the calculation of quorum and majority, in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

The duration of meetings shall be set in such way as to allow a thorough review of all matters to be discussed.

At least once a year, the directors shall meet to hold discussions without the executive corporate officers being present.

### 3.3 Compensation of the members of the Board of Directors

The Board of Directors may proceed, upon recommendation of the Compensation Committee, to the distribution of the annual amount of the attendance fees allocated by the Company's General Shareholders' Meeting.

The distribution of attendance fees may only be reserved to some of the members of the Board of Directors and they may only be distributed in accordance with the effective participation of the members in meetings of the Board of Directors and, where appropriate, the Committees of which the directors are members.

Furthermore, each member of the Board is entitled to reimbursement, where proof is provided, of travel expenses incurred by him/her in the performance of his/her duties.

### 3.4 Assessment of the work of the Board of Directors and committees

Once a year, the Chairman of the Board of Directors shall invite the members of the Board of Directors to express their opinions on the operation of the Board and its committees and the preparation of its work, it being specified that this discussion shall be a matter included in the agenda of a meeting of the Board.

## **ARTICLE 4 – VIDEOCONFERENCING AND CONFERENCE CALLS**

4.1 For the purposes of its meetings, the Board of Directors may use videoconferencing facilities, to enable each participant to use real-time voice and video communications, or conference calls, to enable each participant to use real-time voice communications.

Where videoconferencing or conference calls are used, their technical characteristics should facilitate the continuous and simultaneous transmission of the deliberations of the Board of Directors.

4.2 The use of videoconferencing or conference calls may not take place when the Board of Directors is called upon to deliberate on the following decisions:

- Dismissal of the Chairman of the Board of Directors, of the Chief Executive Officer and of the Deputy Chief Executive Officer;
- Approval of the annual financial statements and of the management report;
- Establishment of the consolidated financial statements and, where appropriate, the group management report.

Where videoconferencing is used or if directors participate by conference call when it is not authorized, the directors participating remotely will not be taken into account for the



calculation of the quorum and majority: they may only give their opinions in an advisory capacity.

- 4.3 For all decisions other than those described above under point 4.2, the directors participating remotely in meetings of the Board shall be considered to be present for the calculation of the quorum and majority.
- 4.4 Where videoconferencing or conference calls are used, the minutes of the Board of Directors will indicate:
- The names of the directors present;
  - The names of the directors participating in the meeting by videoconference or by conference call and considered present in accordance with Article L. 225-37 of the French Commercial Code;
  - The names of the excused or absent directors;
  - The presence of other participants;
  - The presence or the absence of a person that was called before the Board pursuant to a legal provision;
  - The potential occurrence of a technical incident related to the videoconference or to the conference call when it caused disruption during the meeting.

The attendance register of the Board of Directors signed by the directors present as well as their representatives will indicate, alongside the names of the directors participating by conference call or by videoconference, the following note: "Participating by telephone" or "Participating by videoconference". The Chairman of the Board of Directors or the meeting's secretary shall be responsible for amending the attendance register of the Board of Directors to this effect.

- 4.5 A director attending the meeting by videoconference may represent another director provided that, on the day of the meeting, the Chairman holds a proxy from the director represented in this way.

In the event of malfunction of the videoconferencing or telephone conference system observed by the Chairman, the Board of Directors may validly deliberate and/or continue only with the members who are physically present, or for whom voice and/or image transmission remains simultaneous and continuous, provided that the quorum requirements are satisfied.

A director who is a remote participant in the Board meeting, and could no longer be deemed as present due to a malfunction, can then give, under conditions provided for in Articles 1365 to 1367 of the French Civil Code (written, email, fax, etc.), a representation mandate to a director who is physically present, provided that the Chairman is informed of this mandate. He/she can also send a representation mandate in advance, specifying that it will only be effective in the event of a malfunction that no longer enables him to be deemed present.

## **ARTICLE 5 – MINUTES**

The deliberations of the Board of Directors, including those held by videoconference or by conference call, are recorded in minutes kept in a special register or in a loose-leaf binder, under the conditions prescribed by the law. The minutes thereof are signed by the Chairman of the meeting and by at least one director. In the event that the Chairman of the meeting is unable to attend, the minutes shall be signed by at least two directors.

The copies or excerpts from these minutes are certified either by the Chairman of the Board of Directors, or by the Chief Executive Officer in the event that the senior management is not ensured by the Chairman of the Board, or by a Deputy Chief Executive Officer, or by the director temporarily

delegated to perform the duties of Chairman of the Board of Directors, or by any person duly authorized for such purpose.

A copy or an excerpt from the minutes shall be sufficient proof of the number of directors in office and of their attendance.

## **ARTICLE 6 – CONFIDENTIALITY**

The directors, as well as any person attending the meetings of the Board of Directors, shall be bound by a general obligation of confidentiality and reserve regarding information communicated to them by the Company, that they receive before or during the meetings of the Board, in the context of minutes and documents that are provided to them during the meetings of the Board or in the context of requests for additional information.

## **ARTICLE 7 – OBSERVERS**

The provisions provided for in Articles 2, 4 and 6 of these Internal Rules and Procedures also apply to Observers to the extent that they are compatible with their duties.

## **ARTICLE 8 – COMMITTEES**

The Board of Directors may establish Committees, for which the Board will determine the composition and attributions and, where appropriate, the compensation of its members.

Each committee is required to study, analyze and advise on certain deliberations of the Board within its area of competence. Its role is also to examine the subjects and/or drafts that the Board or its Chairman submits back for its review. It has no decision-making power. Within its area of competence, it issues proposals, recommendations and opinions as appropriate. It has advisory power and acts under the authority of the Board of Directors that establishes each Committee and to which each Committee is accountable.

The Chairman of each Committee or a member of the Committee appointed for this purpose must report on its activities to the Board of Directors.

Each Committee may decide to invite to its meetings, when required, any person of its choice.

### **8.1 - AUDIT COMMITTEE**

#### **8.1.1 Attributions of the Audit Committee**

The Audit Committee ensures the monitoring of issues related to the processing and control of accounting and financial information. Namely, the Audit Committee is responsible, without prejudice to the powers of the Board of Directors, for:

- Monitoring the financial reporting process and, where appropriate, making recommendations to ensure its integrity;
- Monitoring the effectiveness of internal control and risk management systems and, where appropriate, internal auditing of the procedures relating to the preparation and processing of accounting and financial information, without having a detrimental effect on its independence;
- Monitoring the auditor's performance of his/her duties, taking into account the findings and conclusions of the French High Council of Statutory Auditors following the checks carried out in accordance with Articles L. 821-9 et seq.;

- Issuing a recommendation to the Board of Directors relative to the auditors proposed for appointment at the General Shareholders' Meeting, drawn up in accordance with the provisions of the aforementioned Article 16 of Regulation (EU) No. 537/2014; and also issuing a recommendation to this body when the renewal of the mandate of auditor(s) is envisaged under the conditions defined in Article L. 823-3-1;
- Monitoring the independence of auditors, where appropriate, and taking the necessary measures to implement paragraph 3 of the aforementioned Article 4 of Regulation (EU) No. 537/2014 and ensuring compliance with the conditions referred to in Article 6 of the same regulation;
- Periodically reviewing significant litigation and,
- Approving the provision of services other than the certification of the financial statements
- Regularly reporting to the Board of Directors on the performance of his/her duties as well as the results of the audit conducted as part of the certification of the financial statements, how the audit contributed to the integrity of the financial information and the role it played in this process, immediately informing the Board of any difficulties encountered.

The Board of Directors or the Chairman of the Board of Directors may also decide to submit to the committee any other issue for opinion. Similarly, the Audit Committee may address any issue and formulate any opinion.

#### 8.1.2 Composition of the Audit Committee

The Audit Committee is composed of at least three (3) members appointed by the Company's Board of Directors, following consultation with the Compensation Committee. All of the members of the Audit Committee must be chosen from among the members of the Company's Board of Directors excluding those exercising management functions, including at least one member who must have specific skills in financial or accounting matters or the auditing of financial statements and be considered independent pursuant to Article 3.1 of these Internal Rules and Procedures, it being specified that all members possess at least a minimum level of proficiency in financial and accounting matters.

The Chairman of the Audit Committee is appointed by the members of the Audit Committee for the duration of his/her term of office as a member of the Committee.

The duration of the terms of office of the members of the Audit Committee coincides with that of the term of office as a member of the Board of Directors and ends at the first meeting of the Board of Directors held after the Annual General Shareholders' Meeting called to approve the financial statements during which the term of office as director expires.

The term of office of the members of the Audit Committee is renewable.

In addition, the Board of Directors may, at any time, terminate the duties of a member of the Committee, without prior notice and without having to justify its decision; the member cannot claim any compensation. Similarly, any member may at any time relinquish his/her position, without having to justify his/her decision.

The members of the Audit Committee will not be compensated for the performance of their duties. Their work on the Audit Committee may be taken into account when distributing attendance fees to directors.

In case of the death or resignation of a member during their term of office, for any reason whatsoever, the Board of Directors may proceed with the replacement of this member for the duration of the term of office as director of the newly appointed member.

The provisions of these Internal Rules and Procedures of the Board of Directors regarding the obligations of discretion, non-disclosure, and professional secrecy as well as those relative to conflicts of interest are applicable to the members of the Audit Committee.

### 8.1.3 Operation of the Audit Committee

The members of the Audit Committee may invite any guest, subject to ensuring the confidentiality of the discussions by the latter.

The Audit Committee may decide to interview the Company's Chief Executive Officer and proceed with any internal or external audit on any matter it considers as falling within its duties, subject to first informing the Board of Directors. It may also interview individuals who are involved in preparing the financial statements or auditing them (chief administrative and financial officer and key figures responsible for financial management).

The Audit Committee may also interview the auditors without any representatives of the Company being present.

#### **Convening – Meetings**

The Audit Committee meets as often as it deems necessary, and at least two (2) times a year before the meeting of the Board of Directors called to approve the Company's annual financial statements, consolidated financial statements, and interim financial statements and, where appropriate, quarterly, as convened by its Chairman.

Meeting invitations are sent in writing (including email) with a notice period of five (5) days, except in the event of an emergency, by the Chairman of the Audit Committee. The Audit Committee may also be convened verbally. If all members of the Audit Committee are present or represented, the meetings may be held without prior notice. The Audit Committee may also meet at the request of two of its members or of the Chairman of the Company's Board of Directors.

The meetings of the Audit Committee will be held at the registered office or any other place indicated in the invitation notice. They may also be held by videoconference or by any means of telecommunication as specified in Article 4 of these Internal Rules and Procedures.

#### **Quorum and majority**

The Audit Committee may only deliberate validly if at least half of its members are present or participating by videoconference or conference call or represented.

Decisions are taken by a majority of the participating or represented members; where voting is tied, the Chairman does not have a casting vote.

Members may be represented by any other member of the Audit Committee subject to the limit of one representation mandate per member.

#### **Report**

The Chairman of the Audit Committee ensures that the activity reports supplied by the Audit Committee to the Board of Directors allow the latter to be fully informed, thereby facilitating its decisions.

The annual report will include a presentation on the work of the Committee during the past financial year.

If, in the course of its work, the Audit Committee finds a significant risk that does not appear to be adequately addressed, the Chairman of the Audit Committee shall immediately alert the Board of Directors.

## 8.2 - COMPENSATION COMMITTEE

### 8.2.1 Attributions of the Compensation Committee

The Compensation Committee is responsible, in particular, for:

- Reviewing the main objectives proposed by the senior management in terms of compensation of non-executive corporate officers of the Company, including bonus share plans and stock options;
- Reviewing the compensation of non-executive corporate officers, including bonus share plans and stock options, pension and insurance plans and benefits in kind;
- Formulating proposals and recommendations to the Board of Directors related to:
  - compensation, pension and insurance plans, benefits in kind, other financial entitlements, including in the event of cessation of activity, of the corporate officers. The Committee proposes amounts and compensation structures and, in particular, rules for determining the variable component that take into account the Company's strategy, objectives and results as well as market practices; and
  - bonus share plans, stock options and any other similar incentive mechanism and, in particular, registered allocations to corporate officers eligible for this type of mechanism;
- Reviewing the total amount of attendance fees and the system used to distribute them between directors, as well as the conditions for reimbursement of costs that may be incurred by the members of the Board of Directors;
- Preparing and submitting reports, where appropriate, as provided for in the Internal Rules and Procedures of the Board of Directors;
- Preparing any other recommendation that could be requested by the Board of Directors in terms of compensation; and
- More generally, the Compensation Committee provides advice and makes recommendations in the above areas.

Pending the implementation of a possible Appointments Committee, the Compensation Committee may assist the Board of Directors, at its request, in the identification, assessment and preparation of proposals for the appointment of independent directors.

The Board of Directors or the Chairman of the Board of Directors may also decide to submit to the committee any other issue for opinion. Similarly, the Compensation Committee may address any issue and formulate any opinion.

### 8.2.2 Composition of the Compensation Committee

The Compensation Committee is composed of at least three (3) members appointed by the Company's Board of Directors. All of the members of the Compensation Committee must be chosen from among the members of the Company's Board of Directors excluding those exercising management functions, including at least one independent member pursuant to Article 3.1 of these Internal Rules and Procedures.

The Chairman of the Compensation Committee is appointed by the members of the Compensation Committee for the duration of his/her term of office as a member of the Committee.

The duration of the terms of office of the members of the Compensation Committee coincides with that of the term of office as a member of the Board of Directors and ends at the first meeting of the Board of Directors held after the Annual General Shareholders' Meeting called to approve the financial statements during which the term of office as director expires.

The term of office of the members of the Compensation Committee is renewable.

In addition, the Board of Directors may, at any time, terminate the duties of a member of the Committee, without prior notice and without having to justify its decision; the member cannot claim any compensation. Similarly, any member may at any time relinquish his/her position, without having to justify his/her decision.

The members of the Compensation Committee will not be compensated for the performance of their duties. Their work on the Compensation Committee may be taken into account when distributing attendance fees to directors.

In case of the death or resignation of a member during their term of office, for any reason whatsoever, the Board of Directors may proceed with the replacement of this member for the duration of the term of office as director of the newly appointed member.

The provisions of these Internal Rules and Procedures of the Board of Directors regarding the obligations of discretion, non-disclosure, and professional secrecy as well as those relative to conflicts of interest are applicable to the members of the Compensation Committee.

### 8.2.3 Operation of the Compensation Committee

The members of the Compensation Committee may invite any guest, subject to ensuring the confidentiality of the discussions by the latter.

#### **Convening – Meetings**

The Compensation Committee meets as often as it deems necessary, and at least two (2) times a year, as convened by its Chairman.

Meeting invitations are sent in writing (including email) with a notice period of five (5) days, except in the event of an emergency, by the Chairman of the Compensation Committee. The Compensation Committee may also be convened verbally. If all members of the Compensation Committee are present or represented, the meetings may be held without prior notice.

The Compensation Committee may also meet at the request of two of its members or of the Chairman of the Company's Board of Directors.

The meetings of the Compensation Committee will be held at the registered office or any other place indicated in the invitation notice. They may also be held by videoconference or by any means of telecommunication as specified in Article 4 of these Internal Rules and Procedures.

The Chairman of the Company's Board of Directors may be invited to each meeting of the Compensation Committee if he/she is not a member, but he/she shall not have voting rights. He/she does not attend the deliberations regarding his/her own situation.

The non-executive directors, who are not members of the Compensation Committee, can freely participate in its meetings.

### **Quorum and majority**

The Compensation Committee may only deliberate validly if at least half of its members are present or participating by videoconference or conference call or represented.

Decisions are taken by a majority of the participating or represented members; where voting is tied, the Chairman does not have a casting vote.

Members may be represented by any other member of the Compensation Committee subject to the limit of one representation mandate per member.

### **Report**

The Chairman of the Compensation Committee ensures that the activity reports supplied by the Compensation Committee to the Board of Directors allow the latter to be fully informed, thereby facilitating its decisions.

The annual report will include a presentation on the work of the Committee during the past financial year.

The Compensation Committee reviews the Company's draft report regarding the compensation of executives.

## **8.3 - RESEARCH COMMITTEE**

### **8.3.1 Attributions of the Research Committee**

The Research Committee is responsible, in particular, for:

- helping the Board to monitor ongoing studies and keeping the Board informed of the studies' progress, and in particular reviewing the audit plan, working with management to define the format of reporting to the Board, checking results, and reviewing the publication strategy;
- helping the Board to identify and analyze new development opportunities;
- facilitating the Board's communications with the Scientific Advisory Board.

The Board of Directors or the Chairman of the Board of Directors may also decide to submit to the committee any other issue for opinion. Similarly, the Research Committee may address any issue and formulate any opinion.

### **8.3.2 Composition of the Research Committee**

The Research Committee is composed of at least three (3) members appointed by the Company's Board of Directors. All of the members of the Research Committee must be chosen from among the members of the Company's Board of Directors excluding those exercising management functions, and including at least one independent member pursuant to Article 3.1 of these Internal Rules and Procedures.

The Chairman of the Research Committee is appointed by the members of the Research Committee for the duration of his/her term of office as a member of the Committee.

The duration of the terms of office of the members of the Research Committee coincides with that of their term of office as a member of the Board of Directors and ends at the first

meeting of the Board of Directors held after the Annual General Shareholders' Meeting called to approve the financial statements during which their term of office as a director expires.

The term of office of the members of the Research Committee is renewable.

In addition, the Board of Directors may, at any time, terminate the duties of a member of the Committee, without prior notice and without having to justify its decision; the member cannot claim any compensation. Similarly, any member may at any time relinquish his/her position, without having to justify his/her decision.

The members of the Research Committee will not be compensated for the performance of their duties. Their work on the Research Committee may be taken into account when distributing attendance fees to directors.

In case of the death or resignation of a member during their term of office, for any reason whatsoever, the Board of Directors may proceed with the replacement of this member for the duration of the term of office as director of the newly appointed member.

The provisions of these Internal Rules and Procedures of the Board of Directors regarding the obligations of discretion, non-disclosure, and professional secrecy as well as those relative to conflicts of interest are applicable to the members of the Research Committee.

### 8.3.3 Operation of the Research Committee

The members of the Research Committee may invite any guest, subject to ensuring the confidentiality of the discussions by the latter.

#### **Convening – Meetings**

The Research Committee meets as often as it deems necessary, and at least two (2) times a year, as convened by its Chairman.

Meeting invitations are sent in writing (including by email) with a notice period of five (5) days, except in the event of an emergency, by the Chairman of the Research Committee. The Research Committee may also be convened verbally. If all members of the Committee are present or represented, the meetings may be held without prior notice.

The Research Committee may also meet at the request of two of its members or of the Chairman of the Company's Board of Directors.

The meetings of the Research Committee will be held at the registered office or any other place indicated in the invitation notice. They may also be held by videoconference or by any means of telecommunication as specified in Article 4 of these Internal Rules and Procedures.

The non-executive directors, who are not members of the Research Committee, can freely participate in its meetings.

#### **Quorum and majority**

The Research Committee may only deliberate validly if at least half of its members are present or participating by videoconference or conference call or represented.

Decisions are taken by a majority of the participating or represented members; where voting is tied, the Chairman does not have a casting vote.



Members may be represented by any other member of the Research Committee subject to the limit of one representation mandate per member.

### **Report**

The Chairman of the Research Committee ensures that the activity reports supplied by the Research Committee to the Board of Directors allow the latter to be fully informed, thereby facilitating its decisions.

The annual report will include a presentation on the work of the Committee during the past financial year.

### **ARTICLE 9 – SUCCESSION OF EXECUTIVES**

The Board of Directors shall prepare and update a succession plan for executive corporate officers and key individuals. It reviews talents within the Group who may become an executive officer or may hold a key position within the Company. As such, the Board is informed of the annual performances of such individuals and of any developments concerning them.

The topic of succession is regularly included in the agenda of meetings of the Board of Directors.

### **ARTICLE 10 – CIVIL LIABILITY INSURANCE FOR CORPORATE OFFICERS**

Each executive officer may, by a decision of the Board, be covered by civil liability insurance for corporate officers to insure against damages resulting from a fault or negligence committed in the performance of his/her duties as a corporate officer of the Company.

### **ARTICLE 11 – ADAPTATION, AMENDMENTS AND PUBLICITY OF THE INTERNAL RULES AND PROCEDURES**

These internal rules and procedures may be adapted and amended by a decision of the Board of Directors, adopted in accordance with the conditions set out in the bylaws.

Any new member of the Board of Directors will be invited to ratify it when they begin their term of office.

Where appropriate, all or part of these internal rules and procedures may be made public.

Signed in Labège

March 6, 2018

In 9 copies.

Signature of directors: