

## DBV TECHNOLOGIES (the “Company”)

Limited company (société anonyme) with share capital of 2,980,229.20 euros  
Registered office: 177-181 avenue Pierre Brossolette – 92120 Montrouge  
Trade and Companies Register 441 772 522 R.C.S Nanterre.

### REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF JUNE 22, 2018

#### 1. Approval of the corporate and consolidated financial statements for the year ended December 31, 2017 - (*First and Second Resolutions*)

We would ask you to kindly approve the corporate financial statements for the financial year ended on December 31, 2017, recording a loss of €113,151,106.86, as well as the consolidated financial statements for the year ended on December 31, 2017, as they have been submitted, recording a loss (group share) of €147,692,970.72.

#### 2. Allocation of income for the year (*Third Resolution*)

Our proposed allocation of our Company income is compliant with the law and our Bylaws.

We propose you allocate the whole of the loss for the financial year ended December 31, 2017, totaling €(113,151,106.86), entirely to the carry-forward account, which as a result changes from €(164,445,173.96) to €(277,596,280.82).

Pursuant to Article 243 bis of the French General Tax Code, we would point out that no distribution of dividends or income has occurred in the past three financial years.

#### 3. Approval of the regulated conventions (*Fourth Resolution*)

We would first remind you that only the new conventions stipulated during the last year and at the start of the current year are submitted to this meeting.

We would ask that you approve the new conventions stipulated in 2017 and early 2018 as provided by Article L. 225-38 of the French Commercial Code and regularly authorized by the Board of Directors.

The conventions are as follows:

- **Modification of the employment contract of Mr. David Schilansky, Executive Vice President / Chief Financial Officer. The Company has signed an amendment to the employment contract of Mr. David SCHILANSKY as follows:**

In the event of change of the current Company’s Chairman and Chief Executive Officer, payment, under the employment contract, of a contractual indemnity in the event of Mr. David Schilansky’s departure within 18 months of this change This severance indemnity will be calculated as follows:

- Two years’ gross salary in accordance with his employment contract, calculated on the basis of the average of the last twelve months prior to notification of termination of contract (including variable compensation), shall be paid in addition to any and all legal or conventional indemnity as may be due to Mr. David Schilansky;

- It is agreed that said indemnity will be paid to the employee leaving the Company on the latter's initiative, whether as part of redundancy proceedings (except in the event of dismissal due to gross negligence or willful misconduct) or conventional termination of the employment contract.

Considering the particularly extensive responsibilities entrusted to Mr. David SCHILANSKY, in his capacity as Chief Financial Officer of the Company, and which result directly from the privileged relationship of trust with the Company's current Chief Executive Officer since he was hired in 2011 and subsequent promotions assigned to him since that date, it would appear that any replacement of the current Company Chief Executive Officer could potentially affect the scope of the responsibilities and/or prerogatives entrusted to Mr. David SCHILANSKY. This is why the above indemnity of two years' gross salary (including variable compensation) is also assigned to Mr. David SCHILANSKY under the conditions set out above, in the event of any infringement to his responsibilities and/or prerogatives.

This convention was authorized by the Board of Directors on December 13, 2017.

Under the scope of this decision, the Board of Directors also voted to pay David Schilansky an exceptional compensation in the amount of 100% of the variable compensation calculated on the basis of 50 % of the annual fixed compensation due for 2017, allocated as follows:

- 25% of the variable compensation once financing has been completed to a significant extent and in a manner acceptable to the Board of Directors; and
  - 75% of the variable compensation after confirmation of the submission of the BLA with the FDA.
- **Modification of the employment contract of Mr. Laurent MARTIN, Executive Vice President / Chief Development Officer. The Company has signed an amendment to the employment contract of Mr. Laurent MARTIN, as follows:**

In the event of the replacement of the current Company's Chairman and Chief Executive Officer, payment, under the employment contract, of contractual indemnity in the event of Mr. Laurent Martin's departure within 18 months of this change. This severance indemnity will be calculated as follows:

- One year's gross salary in accordance with his employment contract, calculated on the basis of the average of the last twelve months prior to notification of termination of contract (including variable compensation), shall be paid in addition to any and all legal or conventional indemnity as may be due to Mr. Laurent MARTIN.
- It is agreed that said indemnity will be paid to the employee leaving the Company on the latter's initiative, whether as part of redundancy proceedings (except in the event of dismissal due to gross negligence or willful misconduct) or conventional termination of the employment contract.

Considering the particularly extensive responsibilities assigned to Laurent MARTIN as a member of the Executive Committee, it would appear that any replacement of the current Company Chief Executive Officer could potentially affect the scope of the responsibilities and/or prerogatives assigned to him.

This convention was authorized by the Board of Directors on December 13, 2017.

Under the scope of this decision, the Board of Directors also voted to pay Laurent Martin an exceptional compensation in the amount of 100% the variable compensation calculated on the basis of the 40% of annual fixed compensation due for 2017, as follows:

- • 25% of the variable compensation once financing has been completed to a significant extent and in a manner acceptable to the Board of Directors; and
- 75% of the variable compensation after confirmation of the submission of the BLA with the FDA.

- **Service Agreement with Mr. Daniel SOLAND**

The Company has renewed the service contract initially entered into on January 2, 2017 with Mr. Daniel SOLAND regarding commercial strategy advices, organized as four sessions during the year, with the Company's management, in exchange for an annual sum of 45,000 euros.

This contract was entered into and renewed in the context of the Company's commercial deployment in the United States. Indeed, it is in the Company's interest to receive commercial strategy advice from people with experience in this area, like Mr. Daniel SOLAND.

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

The renewal of this service contract was authorized by the Board of Directors on February 15, 2018.

These regulated conventions are also presented in the related special auditor's report, which will also be presented to you during the Meeting, as given under § 4.1.6.3 of the 2017 reference document available on the Company's website.

We would also like to remind you that the other conventions and undertakings, already approved by the General Meeting during previous financial years, which continued during the year ended December 31, 2017, are also described in the related special auditor's report which will be presented to you during the Meeting, as given under § 4.1.6.3 of the 2017 reference document available on the Company's website.

#### **4. Mandates of the Board of Directors** *(Fifth to Twelfth Resolutions)*

We remind you that the mandates of the members of the Board of Directors Ms. Maïlys FERRERE, Ms. Claire GIRAUT, Mr. Pierre-Henri BENHAMOU, Mr. Michael GOLLER, Mr. Torbjorn BJERKE and Mr. Daniel SOLAND expire at the forthcoming General Meeting.

On the recommendation of the nominating committee, we propose you:

- renew, for a period of two years, to expire at the end of the General Meeting to be held in 2020 to approve the financial statements for the previous financial year, the mandates as directors of:
  - o Ms. Maïlys FERRERE
  - o Ms. Claire GIRAUT
  - o Mr. Pierre-Henri BENHAMOU
  - o Mr. Michael GOLLER
  - o Mr. Torbjorn BJERKE
  - o Mr. Daniel SOLAND

On the recommendation of the nominating committee, we also propose you ratify the appointment, made on a provisional basis by the Board of Directors during the meeting held on May 2, 2018, of Mr. Michel DE ROSEN as director, replacing Mr. George HORNER, who has resigned. Following his appointment, Mr. Michel De ROSEN will go about his duties for the remaining term of the appointment of his predecessor, namely until the General Meeting to be held in 2018 to approve the financial statements for the previous financial year. His appointment expires with the upcoming General Meeting, we would also suggest that you renew it for a period of two years, i.e. until the end of the Meeting to be held in 2020 to approve the financial statements for the previous financial year.

### **Independence and parity**

We would like to point out that the Board of Directors, on the opinion of the nominating committee, believes that Ms. Claire GIRAUT, Mr. Daniel SOLAND, Mr. Torbjorn BJERKE and Mr. Michel DE ROSEN should be classified as independent members with respect to the independence criteria of the Middlednext Code, used by the Company as a reference code for all matters of corporate governance. In this regard, it is specified that Claire GIRAUT, Daniel SOLAND, Torbjorn BJERKE and Michel DE ROSEN have no business relations with the Company.

In the event of a favorable vote on all candidates proposed, the Board of Directors would be composed by three (3) women and five (5) men, making for a difference of less than 2, in compliance with applicable laws.

### **Expertise, experience, competence**

Information about the expertise and experience of candidates for whom renewal is requested (with the exception of Michel DE ROSEN) is detailed in paragraph 4.1.2.2 of the 2017 reference document.

Mr Michel de Rosen is Chairman of the Board of Directors of Faurecia, a supplier of automotive equipment, with an industrial and commercial worldwide presence. Mr Michel de Rosen is also Chairman of the Board of Pharnext, an innovative, French pharmaceutical company, listed on Euronext Growth Paris since July 2016. Mr Michel de Rosen began his professional career at the General Inspection of Finance in the Ministry of Finance. He was advisor to the Minister of Defense in 1980 and 1981 and Chief of Staff to the Minister of Industry and Telecommunications between 1986 and 1988. Within the Rhône-Poulenc Group, Mr Michel de Rosen held various positions between 1983 and 1999, notably General Manager of Pharmuka (1983-1986) and General Manager of Rhône-Poulenc Fibers and Polymers (1988-1993), before being Chairman and Chief Executive Officer of Rhône Poulenc Rorer and Rhône-Poulenc Santé between 1993 and 1999. In 2000, Mr Michel de Rosen became Chairman and Chief Executive Officer of ViroPharma. He joined Eutelsat in 2009 as General Manager and then as Chairman and Chief Executive Officer, and finally as Chairman. He became Chairman of the Board of Faurecia in 2017.

### **5. Approval of the elements of compensation paid or assigned for FY 2017 to Mr. Pierre-Henri BENHAMOU, under its mandate of Chairman and Chief Executive Officer, to Mr. David SCHILANSKY, under its mandate of Executive Vice President and to Mr. Laurent MARTIN under its mandate of Executive Vice President– SAY ON PAY EX POST (Thirteenth to Fifteenth Resolutions)**

We would ask that you resolve on the fixed, variable and extraordinary compensation components of all types paid or assigned during the previous year to Pierre-Henri BENHAMOU as Chairman and Chief Executive Officer:

<b>Elements of compensation paid or assigned for FY 2017</b>	<b>Amounts or accounting value to be put to the vote</b>	<b>Introduction</b>
<b>Fixed compensation</b>	<b>€435,473 (amount paid)</b>	
<b>Annual variable compensation</b>	<b>€174,189 (amount to be paid <u>after approval at the General Meeting</u>)</b>	This variable compensation was approved by the Board of Directors during its meeting held on December 13, 2017, on the proposal of the Compensation Committee, which met on December 8, 2017 and after noting the partial achievement of the 2017 objectives and the achievement of 80% of

		performance criteria. This variable compensation is connected with the achievement of demanding, diversified performance criteria, which are precise and pre-established, enabling a full analysis of performance. This is aligned with the Company's medium-term strategy and the interests of shareholders - mainly connected with the progress made on R&D programs and the progress made on the pre-marketing of products - which had been fixed to him for FY 2017, by the Board of Directors during its meeting of December 9, 2016. The precise nature and level of achievement expected for these criteria was pre-established by the Board of Directors but not publicly disclosed for reasons of confidentiality.
<b>Free share allocation</b>	<b>Not applicable</b>	
<b>Stock option allocation</b>	<b>Not applicable</b>	
<b>BSA (Equity Warrant) allocation</b>	<b>Not applicable</b>	
<b>Extraordinary compensation</b>	<b>Not applicable</b>	
<b>Elements of compensation due to the termination or change of duties, pension commitments and non-competition clauses</b>	<b>No amount is put to the vote</b>	A detailed description of this commitment is given in paragraph 4.1.3.11 of the 2017 reference document.
<b>Elements of compensation and benefits of all types pursuant to the conventions entered into, according to the mandate, with the Company, any company controlled by the Company, any company which controls the Company or, any or any companies under common control</b>	<b>Not applicable</b>	

We would ask that you decide on the fixed, variable and extraordinary compensation components of all types paid or assigned during the previous year to David Schilansky as Executive Vice President.

As a reminder, Mr. Schilansky also has an employment contract under which he earned €284,004 fixed compensation and €113,602 variable compensation in his capacity as Chief Financial Officer of the Company for 2017, down 2% compared to 2016.

Elements of compensation paid or assigned for FY 2017	Amounts or accounting value to be put to the vote	Introduction
Fixed compensation	€42,600 (amount paid)	
Annual variable compensation	€17,040 (amount to be paid <u>after approval by the General Meeting</u> )	This variable compensation was approved by the Board of Directors during its meeting held on December 13, 2017, on the proposal of the Compensation Committee, which met on December 8, 2017 and after having noted the partial achievement of the 2017 objectives and the achievement of 80% of performance criteria. This variable compensation is connected with the achievement of demanding, diversified performance criteria, which are precise and pre-established, enabling a full analysis of performance, aligned with the Company's medium-term strategy and the interests of shareholders - mainly connected with the progress made on R&D programs and the progress made on the pre-marketing of products - which had been fixed to him for FY 2017, by the Board of Directors during its meeting of December 9, 2016. The precise nature and level of achievement expected for these criteria had been pre-established by the Board of Directors but not published for reasons of confidentiality.
Free share allocation	Not applicable	
Stock option allocation	Not applicable	
BSA (Equity Warrant) allocation	Not applicable	
Extraordinary compensation	Not applicable	
Elements of compensation due to the termination or change of duties, pension commitments and non-competition clauses	Not applicable	
Elements of compensation and benefits of all types pursuant to the conventions entered	Not applicable	

<p>into, according to the mandate, with the Company, any company controlled by the Company, any company which controls the Company or, any or any companies under common control</p>		
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*In accordance with the provisions of Article L.225-100 II of the French Commercial Code, the compensation submitted to you is that paid or attributed by way of the office held as Executive Vice President.*

We would ask that you decide on the fixed, variable and extraordinary compensation components of all types paid or assigned during the previous year to Laurent MARTIN as Executive Vice President.

As a reminder, Mr. Martin also has an employment contract under which he earned €165,958 fixed compensation and €53,106 variable compensation in his capacity as Chief Development Officer of the Company for 2017.

Elements of compensation paid or assigned for FY 2017	Amounts or accounting value to be put to the vote	Introduction
Fixed compensation	€24,893.64 (amount paid)	
Annual variable compensation	€7,965 (amount to be paid <u>after approval at the General Meeting</u> )	This variable compensation was approved by the Board of Directors during its meeting held on December 13, 2017, on the proposal of the Compensation Committee, which met on December 8, 2017 and after having noted the partial achievement of the 2017 objectives and the achievement of 80% of performance criteria. This variable compensation is connected with the achievement of demanding, diversified performance criteria, which are precise and pre-established, enabling a full analysis of performance, aligned with the Company's medium-term strategy and the interests of shareholders - mainly connected with the progress made on R&D programs and the progress made on the pre-marketing of products - which had been fixed to him for FY 2017, by the Board of Directors during its meeting of December 9, 2016. The precise nature and level of achievement expected for these criteria had



		been pre-established by the Board of Directors but not publicly disclosed for reasons of confidentiality.
<b>Free share allocation</b>	<b>Not applicable</b>	
<b>Stock option allocation</b>	<b>Not applicable</b>	
<b>BSA (Equity Warrant) allocation</b>	<b>Not applicable</b>	
<b>Extraordinary compensation</b>	<b>Not applicable</b>	
<b>Elements of compensation due to the termination or change of duties, pension commitments and non-competition clauses</b>	<b>Not applicable</b>	
<b>Elements of compensation and benefits of all types pursuant to the conventions entered into, according to the mandate, with the Company, any company controlled by the Company, any company which controls the Company or, any or any companies under common control</b>	<b>Not applicable</b>	

*In accordance with the provisions of Article L.225-100 II of the French Commercial Code, the compensation submitted to you is that paid or attributed by way of the office held as Executive Vice President.*

As a reminder, all the components of compensation paid to the Company's Corporate Officers, whether as part of their mandate or under their employment contract, are set out under § 4.1.3 of the 2017 Reference Document and under Item 6B of the 2017 Form 20-F available on the Company's website.

**6. Approval of the principles and criteria used for the determination, allocation and attribution of the fixed, variable and extraordinary elements comprising the total compensation and all benefits of all types assigned by virtue of their mandates to the Chairman and Chief Executive Officer, to the Executive Vice President / Chief Financial Officer, and to the Executive Vice President / Responsible Pharmacist – SAY ON PAY EX ANTE (Sixteenth to Eighteenth Resolutions)**

Pursuant to of Article L.225-37-2 of the French Commercial Code, we ask you to kindly approve the principles and criteria for the determination, allocation and attribution of the fixed, variable and extraordinary compensation components of all types assigned by virtue of their mandates to the Chairman and Chief Executive Officer and to the Executive Vice Presidents, as specified in the annex of the current Board Report.

These principles and criteria used for the determination, allocation and attribution of the fixed, variable and extraordinary compensation components were determined according to Hay Group methodology based on the 75<sup>th</sup> percentile of SBF 120 index<sup>1</sup> executives.

<sup>1</sup> The SBF 120 (Société des Bourses Françaises 120 Index) is the stock market index of Paris financial market place. The index is based on the 120 most actively traded stocks listed in Paris. It includes all stocks in the CAC 40 and 80 additional stocks listed on the Premier Marché and Second Marché under Euronext Paris.



## **7. Proposed renewal of authorization relating to the implementation of the share buyback program** *(Nineteenth Resolution)*

We propose, under the terms of the Nineteenth Resolution, that you renew the authorization granted to the Board of Directors for a period of eighteen months, to buy back, on one or more occasions and at the times of its choosing, Company shares up to the limit of 10% of the number of shares comprising the share capital, adjusted, if necessary, to take into account the potential increase or reduction of share capital having taken place during the course of the program.

This authorization will cancel and replace the authorization granted to the Board of Directors by the General Meeting of June 15, 2017 in its Twelfth Ordinary Resolution.

If the foregoing authorization is granted, these purchases can be made in order to:

- support the secondary market or liquidity for DBV TECHNOLOGIES shares through a liquidity agreement with an investment service provider, pursuant to the AMAFI Code of Ethics as permitted by legislation, and specified that under this scope, the number of shares considered to calculate this limit shall be the number of shares purchased, less the number of shares sold;
- hold the purchased shares and ultimately return them for future exchange or as payment under potential external growth transactions;
- provide coverage to meet obligations arising from stock option plans and/or free share allocation plans (or similar plans) to the benefit of the Company's employees and/or corporate officers, as well as all share allocations arising under Company employee savings plans (or similar plans), employee profit-sharing plans and/or any other form of share allocation arrangement for the Company's employees and/or corporate officers;
- hedge the securities giving access to the allocation of Company's shares, pursuant to current regulations;
- where applicable, cancel the shares acquired, subject to the authorization granted by the General Meeting of June 15, 2017 in its Thirteenth Extraordinary Resolution.

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

The Company does not intend to use options or derivative instruments.

We propose fixing the maximum purchase price at €150 per share and, consequently, the maximum amount of the operation is €150,000,000.

The Board of Directors would thus have the powers needed to perform all tasks required in this respect.

## **8. Financial delegations**

The Board of Directors wishes to have the delegations necessary to proceed, if it should deem fit, with all issues as may prove necessary under the scope of the development of the Company's business, as well as all authorizations required to have the tools necessary allowing an employee shareholding incentive policy, such as, to support the Company's development.

This is why you are asked to renew the financial delegations that are now approaching expiry. A table is given in paragraph 4.2.2.6 of the reference document, setting out the current delegations and authorizations granted by the General Meeting to the Board of Directors and the state of their use as at December 31, 2017. Please note that after the close of FY 2017, in March 2018 the delegation to increase share capital by public offering was used, as granted by the General Meeting on June 21, 2016 in its (i) Eighteenth Extraordinary Resolution, to increase the share capital by a par value of 352,775.20 euros, accompanied by

an issue premium of 122,095,496.72 euros and (ii) Twenty First and Twenty Third Extraordinary Resolutions, to increase the share capital by a par value of 52,916.20 euros, accompanied by an issue premium of 18,314,296.82 euros.

You are also asked to grant a new delegation to categories of persons, in order to benefit from the necessary flexibility to make the most of all financing opportunities.

Moreover, considering the delegations able to increase the share capital, you are therefore asked to rule on a delegation of authority to increase the share capital to the benefit of members of a company savings plan, in compliance with current regulations.

### **8.1 Delegation of authority in view of the share capital increase by means of the incorporation of reserves, profits and/or premiums (Twentieth Resolution)**

This delegation of authority expires this year and has not been used.

We ask that you kindly grant to the Board of Directors, for a new period of 26 months, the authority to increase the share capital on one or more occasions, in the periods and according to the methods it may determine, by means of the incorporation into capital of reserves, profits, premiums or other amounts admitted for capitalization, by the issue and free allocation of shares or by raising the face value of existing ordinary shares or combining these two methods.

The par value of the share capital increase resulting from this delegation shall not exceed 50% of the share capital as at the date of the decision decided by the Board of Directors to increase the share capital, without considering the par value of the capital increase necessary to preserve the rights of holders of rights or securities giving access to the Company's capital, in compliance with the law and, if applicable, contractual provisions providing for other adjustments. This maximum amount will be separate from all maximum amounts set by the other Resolutions of this General Meeting.

Unless authorized in advance by the General Meeting, the Board of Directors cannot make use of this authorization as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

For the part not used, if applicable, this delegation supersedes any and all relevant prior delegations.

### **8.2 Delegations of authority with a view to issuing ordinary shares and/or securities with and without pre-emptive rights**

The delegations of authority to increase the share capital with and without pre-emptive rights by means of public offering and private placement expire this year.

We propose you renew these delegations of authority with a view to proceeding with share capital increases by means of cash contributions and with and without pre-emptive rights by means of public offering and private placement, and to envisage a new delegation for proceeding with a share capital increase to the benefit of categories of persons.

The purpose of these authorizations is to allow the Board of Directors wide discretion, at the times of its choosing, during a period of 26 months, to issue:

- ordinary shares;
- and/or ordinary shares giving access to the allocation of ordinary shares or debt securities;
- and/or securities giving access to ordinary shares to be issued.

Pursuant to Article L. 228-93 of the French Commercial Code, the securities to be issued may give rights to ordinary shares of any and all companies that directly or indirectly own over half of its capital or of which the Company directly or indirectly owns over half of the capital.

### **8.2.1 Delegation of authority in view of the issue of ordinary shares giving, if applicable, access to ordinary shares or the allocation of debt securities and/or securities giving access to ordinary shares, with pre-emptive rights (Twenty-First Resolution)**

Under this delegation, issues would be carried out with pre-emptive rights assigned to shareholders.

We propose you fix the total maximum par value of the ordinary shares that may be issued subject to this authorization as 20% of the capital existing on the date of the Resolution passed by the Board of Directors to increase the share capital. To this maximum amount will be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to the law, and where applicable, the contractual stipulations providing for other adjustments.

The above maximum amounts apply to the overall sum of the maximum nominal amount of shares able to be issued as outlined in the Twenty-Eighth Resolution.

If subscriptions, on an irreducible basis and, if applicable, on a reducible basis have not absorbed the entire issue, the Board of Directors may use the following options:

- limit the issue to the amount of subscriptions, if applicable within the limits established by applicable regulations;
- freely allocate all or part of the non-subscribed securities;
- offer to the public all or part of the non-subscribed securities.

Unless authorized in advance by the General Meeting, the Board cannot make use of this authorization as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

For the part not used, if applicable, this delegation supersedes any and all relevant prior delegations.

### **8.2.2 Delegations without pre-emptive rights**

#### **8.2.2.1 Delegation of authority in view of the issue of ordinary shares giving, if applicable, access to ordinary shares or the allocation of debt securities and/or securities giving access to ordinary shares without pre-emptive rights by public offering (Twenty-Second Resolution)**

Under this delegation, issues would be made by public offering.

Shareholders' pre-emptive rights to ordinary shares and/or securities giving access to capital will be canceled, while retaining the Board of Directors' option to grant right of priority to shareholders, pursuant to the law.

The total par value of the ordinary shares that may be issued subject to this delegation may not exceed 20% of the share capital existing on the date of the Resolution to increase the share capital passed by the Board of Directors.

To this maximum amount will be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to the law, and where applicable, the contractual stipulations providing for other adjustments.

This maximum amount applies to the overall sum of the maximum nominal amount of shares able to be issued as outlined in the Twenty-Eighth Resolution.

The amount stemming from or potentially obtained by the Company for each of the ordinary shares issued, after consideration, in the event of the issue of stock warrants, of the subscription price of said warrants, will be determined in accordance with legal and regulatory provisions and will therefore be at least equal to the minimum required by the provisions of Article R. 225-119 of the French Commercial Code when the Board of Directors implements the delegation (weighted average price during the last three trading days prior to its fixing, potentially reduced by a maximum discount of 5%).

In the case of the issue of securities in consideration of securities contributed to the Company in a public exchange offer, within the limits set out above, the Board of Directors shall have the powers required to set the list of securities for exchange, set the issue conditions, the exchange ratio, and, if applicable, the amount of the equalization payment in cash, and to set the issue terms.

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

- limit the amount of the issue to the amount of subscriptions, if applicable within the limits established by applicable regulations;
- freely allocate all or part of the non-subscribed securities.

Unless authorized in advance by the General Meeting, the Board cannot make use of this authorization as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

For the part not used, if applicable, this delegation supersedes any and all relevant prior delegations.

**8.2.2.2 Delegation of authority in view of the issue of ordinary shares giving, if applicable, access to ordinary shares or the allocation of debt securities and/or securities giving access to ordinary shares without pre-emptive rights by private placement (Twenty-Third Resolution)**

Under this delegation, issues will be made by means of an offer pursuant to Article L. 411-2, subparagraph II of the French Monetary and Financial Code.

Shareholders' pre-emptive rights over ordinary shares and/or securities giving access to capital would be canceled.

The total par value of the ordinary shares that may be issued, may not exceed 20% of the share capital existing on the date of the Resolution passed by the Board of Directors to increase the share capital.

To this maximum amount will be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to the law, and where applicable, the contractual stipulations providing for other adjustments.

This maximum amount applies to the overall sum of the maximum nominal amount of shares able to be issued as outlined in the Twenty-Eighth Resolution.

The amount stemming from or potentially obtained by the Company for each of the ordinary shares issued, after consideration, in the event of the issue of stock warrants, of the subscription price of said warrants, will be determined in accordance with legal and regulatory provisions and will therefore be at least equal to the minimum required by the provisions of Article R. 225-119 of the French Commercial Code when the Board of Directors implements the delegation (weighted average price during the last three trading days prior to its fixing, potentially reduced by a maximum discount of 5%).

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

- limit the amount of the issue to the amount of subscriptions, if applicable within the limits established by applicable regulations;

- freely allocate all or part of the unsubscribed securities.

Unless authorized in advance by the General Meeting, the Board cannot make use of this authorization delegation as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

For the part not used, if applicable, this delegation supersedes any and all relevant prior delegations.

#### **8.2.2.3 Authorization, in the event of issue without pre-emptive rights, to set the issue price according to the terms set by the meeting, within a limit of 10% of the share capital per year (Twenty-Fourth Resolution)**

We propose, in accordance with the provisions of Article L. 225-136-1, subparagraph 2 of the French Commercial Code, that you authorize the Board of Directors, which will decide on the issue of ordinary shares or securities giving access to capital without pre-emptive rights by means of public offer and/or private placement (*Twenty-Second and Twenty-Third resolutions*) to make an exception, for up to 10% of the share capital per year, to the price fixing conditions envisaged in the way specified here above, and to issue price for the similar equity securities to be issued, as follows:

The issue price of the similar equity securities to be issued immediately or at a later date may not be lower than either of the following, at the Board of Directors' discretion:

- either the weighted average trading price of the Company's share on the trading day prior to the date on which the issue price is set, with a potential maximum discount of up to 15%;
- or the average of five consecutive share trading prices selected from the last thirty trading days prior to the date on which the issue price is set, with a potential maximum discount of up to 15%.

This exception to the price rule would allow the Board to have a certain degree of flexibility in determining the amount of the discount when fixing the issue price, according to the operation and market situation and the average reference price.

#### **8.2.2.4 Delegation of authority in view of the issue of ordinary shares giving, if applicable, access to ordinary shares or the allocation of debt securities and/or securities giving access to ordinary shares without pre-emptive rights, to the benefit of categories of persons meeting certain characteristics (Twenty-Fifth Resolution)**

Under this delegation, issues will be made to the benefit of categories of persons in accordance with the provisions of Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code.

The duration of the validity of this delegation will be fixed at 18 months, starting from the date of this meeting.

The maximum total par value of the share capital increases that may be made subject to this authorization may not exceed 20% of the share capital existing on the date of the Resolution passed by the Board of Directors to increase the share capital.

To this maximum amount will be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to the law, and where applicable, the contractual stipulations providing for other adjustments.

This maximum limit applies to the amount of the share capital increase fixed at the Twenty-Eighth Resolution.

In accordance with the provisions of Article L. 225-138 of the French Commercial Code, the issue price of similar equity securities to be issued immediately or at a later date under the scope of this delegation of authority would be fixed by the Board of Directors, and may not be lower, at the Board of Director's choice, of one or the other of the following amounts:

- either the weighted average trading price of the Company's share on the trading day prior to the date

on which the issue price is set, with a maximum discount of up to 15%;

- or the average of five consecutive share trading prices selected from the last thirty trading days prior to the date on which the issue price is set, with a maximum discount of up to 15%.

The pre-emptive rights for the subscription by shareholders of ordinary shares and other securities giving access to the capital to be issued in accordance with Article L. 228-91 of the French Commercial Code would be canceled, to the benefit of the following categories of persons:

- (i) natural persons or legal entities, including companies, trusts, investment funds or other placement vehicles, of any form, established under French or foreign law, investing habitually in the pharmaceutical, biotechnological or medical technologies sector; and/or
- (ii) companies, institutions or entities of any form, French or foreign, conducting a significant portion of their business in these areas; and/or
- (iii) French or foreign investment service providers or any foreign establishment with a similar status, able to guarantee the completion of an issue intended to be placed with the persons specified under point (i) and/or (ii) above and, under this scope, to subscribe the securities issued.

If subscriptions have not absorbed the entire issue, the Board of Directors may, at its choice, use the following options in the order that it determines, one and/or the other of the following faculties:

- limit the amount of the issue to the amount of subscriptions, if applicable within the limits established by applicable regulations;
- freely allocate all or part of the unsubscribed securities amongst the categories of persons defined.

Unless authorized in advance by the General Meeting, the Board cannot make use of this authorization as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

The Board of Directors will thus have full authority to be able to implement this delegation and will report back at the next General Shareholders' Meeting, in compliance with applicable law and regulations, on the use of this delegation granted under this Resolution.

### **8.2.3 Authorization to increase the total amount of issues in the event of excess demand (*Twenty-Sixth Resolution*)**

Under the scope of the delegations with and without pre-emptive rights as mentioned previously (*Twenty-First to Twenty-Third and Twenty-Fifth Resolutions*), we propose that you grant to the Board of Directors the faculty to increase, under the conditions set out by Articles L. 225-135-1 and R. 225-118 of the French Commercial Code and up to a ceiling limit set by the Meeting, the number of securities envisaged in the initial issue.

Thus, the number of securities may be increased within 30 days of subscription closure, up to 15% of the initial issue and at the same price as the initial issue, within the limit set by the Meeting.

### **8.2.4 Delegation of authority to increase the share capital in view of compensating the contributions made in kind of shares or securities (*Twenty-Seventh Resolution*)**

In order to facilitate external growth, we would ask you to grant to on the Board of Directors a delegation to increase the share capital by means of the issue of ordinary shares or securities giving access to capital, in order to compensate any contributions in kind permitted to the Company and consisting of shares or securities giving access to capital.

This delegation will be granted for 26 months.



The total nominal amount of the ordinary shares that can be issued under this delegation shall not exceed 10% of the share capital as at the date of the Meeting, without considering the nominal amount of the capital increase necessary to preserve, in compliance with laws and, if applicable, contractual provisions providing for other adjustments, the rights of holders of rights or securities giving access to the Company's share capital.

This limit will apply to the overall limit envisaged by the Twenty-Eighth Resolution of this meeting concerning the maximum par value of the shares able to be issued.

Unless authorized in advance by the General Meeting, the Board of Directors cannot make use of this authorization as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

For the part not used, if applicable, this delegation supersedes any and all relevant prior delegations.

#### **8.2.5 Overall limitation of the maximum amounts of delegations provided under the Twenty-First, Twenty-Second, Twenty-Third, Twenty-Fifth and Twenty-Seventh Resolutions of this Meeting** *(Twenty-Eighth Resolution)*

We propose fixing at 65% of the share capital on the date of this Meeting, the total par value of the ordinary shares to be issued, by virtue of the Twenty-First (delegation with pre-emptive rights), Twenty-Second (delegation without pre-emptive rights by public offering), Twenty-Third (delegation without pre-emptive rights by private placement), Twenty-Fifth (delegation without pre-emptive rights to categories of persons) and Twenty-Seventh (delegation by contribution in kind) Resolutions submitted to this Meeting, it being agreed that to this maximum amount will be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to applicable laws, and where applicable, the contractual stipulations providing for other adjustments.

#### **8.2.6 Delegation of authority to issue BSA, BSAANE and/or BSAAR** *(Twenty-Ninth Resolution)*

We propose you kindly renew the delegation of authority to the Board so that it may proceed with the issue of BSA, BSAANE and/or BSAAR for a duration of 18 months, to the benefit of a category of persons.

This delegation will have the following general characteristics:

It will allow for the issue of:

- equity warrants (BSA);
- warrants for the subscription and/or acquisition of new and/or existing shares (BSAANE);
- warrants for the subscription and/or acquisition of new and/or existing reimbursable shares (BSAAR).

The BSA, BSAANE and/or BSAAR may be issued on one or more occasions, in the proportions and at the times determined by the Board and giving the right to subscribe and/or purchase shares in DBV TECHNOLOGIES at a price fixed by the Board at the time the issue decision is made, in the ways defined hereto.

The total par value of shares to which the warrants issued pursuant to this authorization give entitlement may not exceed 0.5% of the capital existing on the day of this Meeting. To this maximum amount would be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to applicable laws, and where applicable, the contractual stipulations providing for other adjustments. This maximum amount would be separate from all maximum amounts set by the other Resolutions of this General Meeting.



The subscription and/or acquisition price of the shares acquired by exercising the warrants shall be at least equal to the average closing price of DBV TECHNOLOGIES shares of the 20 trading days preceding the decision to issue the warrants, minus the potential warrant issue price, if any.

The purpose of the allocation of warrants is to align the interests of the beneficiaries with the shareholders. In that respect, the warrants cannot be issued for free, the Board of directors having to set their price.

We propose that you decide to cancel your pre-emptive rights to the benefit of the following category of persons: corporate officers, scientific committee members, employees of the Company and persons associated with the Company and the French or foreign companies related to the Company, via a service contract or a consultant contract, in accordance with Article L.225-180 of the French Commercial Code.

This delegation means that the shareholders waive their pre-emptive rights to shares that may be issued by the exercising of warrants to the holders of BSA, BSAANE and/or BSAAR.

Unless authorized in advance by the General Meeting, the Board cannot make use of this authorization as from the launch of a tender offer from a third party on the securities of the Company until the end of the tender offer period.

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

- limit the amount of the issue to the amount of subscriptions, if applicable within the limits established by applicable regulations;
- freely allocate all or part of the unsubscribed BSA, BSAANE and/or BSAAR to persons covered by the category defined above.

The Board of Directors would have all powers necessary, under the conditions set by the law and envisaged above, to proceed with the issues of BSA, BSAANE and/or BSAAR and notably to fix the exact list of beneficiaries from amongst the categories of persons defined above, the nature and number of warrants to be assigned to each of them, the number of shares to which each warrant shall give entitlement, the warranty issue price and the subscription and/or purchase price of the shares to which the warrants shall give entitlement, under the conditions set out above, the terms and conditions and timing for the subscription and exercise of the warrants, their adjustment methods and, more generally, all terms and conditions of the issue; to prepare a complementary report describing the final conditions of the operation; to proceed to purchase the shares necessary under the scope of the share buyback program and allocate them to the allocation plan; to acknowledge the share capital increase that may stem from the exercise of the BSA, BSAANE and/or BSAAR and to proceed to amend the Bylaws accordingly; on its own initiative, to allocate the costs of the share capital increases to the amount of the premiums relating to such and to withdraw on this amount all amounts necessary to take the statutory reserve up to one tenth of the new share capital after each increase; to delegate to the Chief Executive Officer all powers necessary to make the share capital increase and to delay such according to the terms and conditions as may be previously set by the Board of Directors; and, more generally, to do everything necessary to this end.

This delegation shall supersede any and all relevant prior delegations.

## **9. Authorizations and delegations relating to employee shareholders**

In order to allow for the pursuit of an employee shareholding incentive policy such as to support the Company's development, we propose you renew in advance the authorizations relating to the assignment of free shares and stock options.

### **9.1 Authorization to allocate free existing and/or future shares to members of staff and/or certain corporate officers of the Company or related companies, shareholders' waiver of their pre-emptive rights, duration of the authorization, maximum amount, duration of vesting periods specifically in respect of invalidity and holding periods (*Thirtieth Resolution*)**

You are asked to kindly renew in advance the authorization to make free assignments of shares to Company employees and related companies and/or certain corporate officers.

Thus, we propose you authorize the Board of Directors to proceed, under the scope of Article L. 225-197-1 of the French Commercial Code, to freely assign new shares resulting from the share capital increase, by means of the incorporation of reserves, premiums or profits, or existing shares.

The beneficiaries of these attributions may be:

- members of staff of the Company or companies that are directly or indirectly related to it as defined by Article L. 225-197-2 of the French Commercial Code;
- corporate officers who meet the conditions set out in Article L. 225-197-1 of the French Commercial Code.

The total number of free shares thus allocated shall not exceed 4.5% of the share capital on the date of this Meeting.

The allocation of shares to beneficiaries would be definitive at the end of a one-year vesting period.

Beneficiaries would retain these shares for two years from when they are definitively allocated.

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

The definitive allocation of the free shares will only occur at the later of the following two dates: (i) expiry of the current vesting period as from their initial allocation, and (ii) approval of Viaskin Peanut by the US Food and Drug Administration (FDA) (performance condition).

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

Thus the Board will have, within the limits set above, all powers to determine the identity of the beneficiaries of the free allocations from amongst the persons meeting the conditions established above and the number of shares to be assigned to each of them; if applicable, to acknowledge the existence of sufficient reserves and transfer, for each allocation, to an unavailable reserve account the amounts required for the release of the new shares to be attributed; to decide, at the relevant time, on the share capital increase(s) by means of the incorporation of reserves, premiums or profits relating to the issue of the new shares assigned free of charge; to proceed to purchase the shares necessary under the scope of the share buyback program and allocate them to the attribution plan; to determine the impact on the rights of the beneficiaries of operations altering the capital or which may affect the value of the shares to be attributed and realized during the acquisition period and, consequently, to amend or adjust, if necessary, the number of shares attributed so as to preserve the rights of the beneficiaries; to take all steps useful to ensuring respect by the beneficiaries of their holding period; and, more generally, to do everything necessary under the scope of applicable laws and regulations to implement this authorization.

This authorization shall apply until the General Meeting to be held in 2019 to rule on the financial statements of the previous year.

For the part not used, if applicable, it shall supersede any and all relevant prior authorizations.

## **9.2 Authorization to grant share subscription and/or share purchase options to members of staff (and/or certain corporate officers) (Thirty-First Resolution)**

We propose you authorize the Board of Directors, for a period of 18 months, to allow subscription and/or share purchase options rights of shares to the benefit of employees, of some of them, or of certain categories of staff and/or corporate officers defined by applicable laws, both of the Company and of economic interest groups or companies related to it, under the terms of Article L. 225-180 of the French Commercial Code.

The total number of options that may be granted by the Board of Directors pursuant to this delegation would not give access to the subscription or purchase of more than 5% of the share capital at the date of this Meeting.

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

These share subscription and/or purchase options will be definitively allocated:

- at the end of a one-year vesting period, up to 25%,
- then, by the end of this period, up to 12.5% at the end of each six months vesting period.

The exercise of these options will be subject to presence condition and the following performance condition: approval of Viaskin Peanut by the US Food and Drug Administration (FDA).

The term of the options fixed by the Board may not exceed a period of ten years from the grant date.

Thus the Board will have, within the limits set out above, all powers to fix the other terms and conditions for the allocation of options and their exercise and notably to fix the conditions under which the options will be granted and draw up the list or categories of beneficiaries as envisaged above; to fix, if applicable, conditions of seniority and performance to be met by said beneficiaries; to decide the conditions under which the price and number of shares must be adjusted, notably in the hypotheses envisaged by Articles R. 225-137 to R. 225-142 of the French Commercial Code; to fix the period(s) during which the options thus granted can be exercised; to envisage the faculty to temporarily suspend the exercise of options for up to three months in the event of the implementation of financial operations that require the exercise of a right connected with shares; if applicable, to purchase the shares necessary under the scope of the share buyback program and assign them to the option plan; to carry out or ensure the carrying out of all acts and formalities necessary to make the share capital increase(s) that may, if applicable, be carried out definitive, to amend the Bylaws accordingly and generally to do everything else necessary; at its own decision and should it deem necessary, to allocate the costs of the share capital increases to the amount of premiums relating to these increases and withdraw this against the amounts necessary to take the statutory reserve up to one tenth of the new capital after each increase.

For the part not used, if applicable, this authorization shall supersede any and all relevant prior authorizations.

### **9.3 Delegation of authority to increase the capital to the benefit of subscribers of a Company Savings Plan (*Thirty-Second Resolution*)**

We submit this resolution to your vote, so as to comply with the provisions of Article L. 225-129-6 of the French Commercial Code, under the terms of which the Extraordinary General Meetings shall also rule on a resolution intending to increase share capital under the terms of Articles L. 3332-18 *et seq.* of the Labor Code, when it delegates its authority to increase capital for cash. The Meeting, having been asked for the delegations and authorizations subject to give rise to share capital increases in cash, must therefore also rule on a delegation to the benefit of subscribers of a company savings plan, it being noted that the inclusion on the agenda of this delegation to the benefit of subscribers of a company savings plan also allows the Company to fulfill the three-year obligation envisaged by the above provisions.

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

In accordance with the law, the General Meeting would cancel shareholders' pre-emptive rights.

This delegation shall apply for 26 months.

The maximum par value amount of the capital increase(s) that may be enacted under this delegation shall be 2% of the share capital arising from the decision of the Board of Directors to make this increase, with the understanding that this amount is separate from any other maximum amounts set by other delegations relating to capital increases. To this amount will be added, as necessary, the par value of the capital increase necessary to preserve the rights of the holders of rights or securities giving access to the Company's capital, pursuant to applicable laws, and where applicable, the contractual stipulations providing for other adjustments.

It is specified that, in accordance with the provisions of Article L. 3332-19 of the Labor Code, the price of shares to be issued shall not be more than 20% (or 30% when the vesting period stipulated by the scheme pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to ten years) below the average share opening price on the 20 trading days prior to the Board of Directors' decision to enact the capital increase and the resulting share issue, nor higher than this average.

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

For the part not used, if applicable, this delegation supersedes any and all relevant prior delegations.

The Board of Directors shall have the discretion to implement, or not implement, this authorization, take all measures and conduct all necessary formalities.

#### **10. Alignment of the Bylaws (Thirty-Third Resolution)]**

We propose making the Bylaws compliant with the provisions of Articles L. 225-47 and L. 225-53 of the French Commercial Code concerning the compensation of the Chairman and Chief Executive Officer and the Executive Vice Presidents, as amended by Law no. 2016-1691 of December 9, 2016 on say on pay.]

#### **11. Amendment of the Bylaws**

We propose amending the Bylaws to establish a casting vote in favor of the chairman of the meeting if votes are equal during the deliberations of the Board of Directors, in accordance with the provisions of Article L. 225-37 of the French Commercial Code. This amendment of the Bylaws is necessary to the correct function of the Board of Directors, as it enables it to resolve any blocking situation as may arise if the votes cast in favor and not in favor of passing the resolution should be equal.

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The Board of Directors asks you to approve the wording of the resolutions that have been submitted to you.

**THE BOARD OF DIRECTORS**

## ANNEX 1

### **APPROVAL OF THE PRINCIPLES AND CRITERIA FOR THE DETERMINATION, ALLOCATION AND ASSIGNMENT OF THE COMPONENTS MAKING UP THE TOTAL COMPENSATION AND BENEFITS DUE TO EXECUTIVE CORPORATE OFFICERS (CHAIRMAN AND CEO AND EXECUTIVE VICE PRESIDENTS)**

#### ***(sixteenth to eighteenth Resolutions)***

In the determination of the overall compensation of the executive corporate officers, the Board of Directors, acting upon recommendation from the Compensation Committee, takes into account the following principles, in accordance with the recommendations of section R13 of the Middenext Code, relative to corporate governance, of September 2016.

As a general rule, it should be noted that the Compensation Committee ensures the consistency of the rules for the determination of the compensation of the executive corporate officers of the Company with the annual evaluation of their individual performance that it compares to Company performance. It also takes into account the alignment of objectives that are assigned to them with the Company's mid-term strategy, shareholder interests and changes in the Middenext Code.

The Compensation Committee relies on external consultant studies indicating market practices for comparable companies in order to propose the structure of this compensation. These studies are conducted on the basis of a range of companies with similar characteristics.

It ensures that none of the components making up the compensation are disproportionate and analyzes compensation as a whole, taking into account all of its components: fixed compensation, variable compensation, long-term share-based compensation plan (free shares, BSA [share subscription warrants], stock options).

#### **1/ Principles and criteria for the determination, allocation and assignment of the components making up the total compensation and benefits of any kind, due to the executive corporate officers of DBV Technologies**

These principles and criteria set by the Board, acting on recommendations from the Compensation Committee, are the following:

- ***Fixed compensation (with respect to the corporate mandate)***

The fixed compensation of the executive corporate officers is determined by taking into account the level and the difficulty of responsibilities, experience, seniority in the Company, and practices in comparable companies, as noted above.

This compensation is payable monthly, by twelfths.

- **Annual variable compensation (with respect to the corporate mandate)**

The executive corporate officers receive an annual variable compensation for which, the Board of Directors, acting upon recommendation from the Compensation Committee, defines the complex, demanding, precise and predetermined performance criteria each year, allowing for the comprehensive analysis of performance, aligned with the company's mid-term strategy and shareholder interests (primarily related to the status of R&D programs and the status of the pre-marketing of the products).

The precise nature and the level of achievement expected from these criteria is set by the Board of Directors, acting upon recommendation from the Compensation Committee, but they are not made public for reasons of confidentiality.

The target amount of the annual variable compensation of the Chairman and CEO and the "Directeur Général Délégué" Executive Vice president/CFO corresponds to 50% of the annual fixed compensation, it being specified that in the event of overperformance, the amount of the reference compensation for the calculation of the variable may be adjusted. In any event, the annual variable compensation of the latter is capped at a maximum of 65 percent of the annual fixed compensation.

In addition, the target amount of the annual variable compensation of the "Directeur Général Délégué" Executive Vice President/Responsible Pharmacist corresponds to 40% of his annual fixed compensation, it being specified that in the event of overperformance, the amount of the reference compensation for the calculation of the variable may be adjusted.

The payment of the components of the variable compensation for the year 2018 is subject to approval by the Ordinary General Meeting of the elements of compensation of executive corporate officers (Chairman and CEO, Executive Vice Presidents) paid or awarded for said fiscal year (ex-post vote).

- **Exceptional compensation (with respect to the corporate mandate)**

The Board of Directors may decide, acting on a proposal from the Compensation Committee, to grant an exceptional compensation to executive corporate officers under particular circumstances (for example, because of their importance to the Company, of the involvement they require and the difficulties they present, especially in the case of a major Company operation.)

The exceptional compensation is capped at a maximum of 20% of the annual fixed compensation.

The payment of the elements of the exceptional compensation, as required, with respect to the year 2018 is subject to approval by the Ordinary General Meeting of the elements of compensation of executive corporate officers (Chairman and CEO, Executive Vice Presidents) paid or awarded for said fiscal year (ex-post vote).

- **Long term compensation (free shares, BSA [share subscription warrants], stock options)**

The Company bases its long-term compensation policy on a global strategy of retention and motivation of its executives and employees that is competitive in terms of market practices in the pharmaceutical industry.

The long-term compensation policy established for executive corporate officers is based on the assignment of performance shares with (i) performance conditions linked to the status of the R&D programs and the achievement of specific objectives related to the preparation for the launch of the Company's main product candidate in the North American market as well as a (ii) condition of presence.

These conditions apply equally to all executives benefiting from such assignments, as well as the vesting and presence conditions, and the vesting and retention periods.



The definitive acquisition of the free shares granted to the executive corporate officers is subject to a finding by the Board, acting on a proposal from the Compensation Committee, of the satisfaction of performance conditions set by the Board at the time of grant of said free shares.

The transfer of shares definitively acquired by the executive corporate officers is not possible during the abstention periods, in accordance with the applicable laws and regulations and the Company's "Insider trading" procedure.

Furthermore, executive corporate officers are, in accordance with the law and according to the terms adopted periodically by the Board of Directors, subject to a retention obligation of a significant number of shares.

In terms of grant of free shares, the Board decided to set the amount of shares granted for free that must be retained by the executive corporate officers, until the termination of their duties, at 10 percent.

The Board grants free shares every year, during the same calendar periods, except in the case of justified decision and exceptional circumstances.

Given the fact that the Company, under its employee recruitment and compensation policy, has already granted nearly 10% of its capital in the form of free shares, the Board of Directors reserves the right to assign BSAs [share subscription warrants] and stock options (subject to performance condition(s)) to executive corporate officers.

In terms of stock options, the Board has set the number of registered shares to be retained by the Chairman and Chief Executive Officer, until the termination of his duties, at 10% of the acquired shares.

- **Attendance fees**

Nil

- **Benefits of any kind**

Nil

**2 / Commitments with respect to the executive corporate officers on the basis of article L.225-42-1 of the French Commercial Code.**

- **Severance Pay**

Any commitment to pay severance to an executive corporate officer is subject to the approval of the Company's General Shareholders' Meeting, in accordance with article L.225- 2-1 of the French Commercial Code.

Moreover, the payment of severance to an executive corporate officer is subject to the finding by the Board of the satisfaction of performance conditions set by the Board.

To date, only the Chairman and Chief Executive Officer receive severance pay in the event of termination of his duties as Executive Officer, for any reason, except in the case of dismissal or non-renewal that he did not consent to, pursuant to a violation of the law or of the Company bylaws or serious misconduct or gross negligence.



The gross amount of the allowance is equal to the sum of the gross compensation that the Chairman and Chief Executive Officer will have received from the Company in any capacity, over the course of the eighteen (18) months prior to departure, if at least two of the following three criteria are met on the date of departure:

- a management structure allowing for the marketing or a collaboration relative to Viaskin® Peanut is in place, it being specified that this criterion will be considered fulfilled if, at the date of departure, the 5 following functions are actually carried out within the Company: Technical Director, Development Director, Chief Financial Officer, Head of Strategic Marketing and Head of Research;
- a market capitalization equal to at least € 80 million;
- at least three Viaskin® projects currently being developed.

- ***Non-compete commitment***

Nil

- ***Retirement***

Nil

### **3/ Agreement(s) between the Company or a subsidiary and the executive corporate officers**

- ***Employment contract***

Mr. Pierre-Henri Benhamou, in his capacity as Chairman and CEO does not have an employment contract.

The Executive Vice Presidents, namely, Mr. David Schilansky and Mr. Laurent Martin have an employment contract, respectively as the Company's Chief Financial Officer, on the one hand, and the Company's Chief Development Officer and Responsible Pharmacist, on the other.

The variable and fixed portions of the compensation received by the Executive Vice Presidents with respect to their technical functions, as opposed to their executive corporate officers mandate, follow the same rules and criteria of determination, allocation and assignment as those established for the compensation paid to them as executive corporate officers.

We invite you to approve, by means of a vote in favor of the sixteenth to eighteenth resolutions, the principles and criteria presented above.

**THE BOARD OF DIRECTORS**