

English version for information purposes only

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GENFIT

French public limited company (*Société Anonyme*)
governed by a Board of Directors,
with share capital of 7,791,609.25 euros
Registered Office: 885 avenue Eugène Avinée, 59120 Loos - France
424 341 907 R.C.S Lille Métropole

**REPORT OF BOARD OF DIRECTORS
TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS MEETING
OF JUNE 15, 2018**

Ladies and Gentlemen,

Dear Shareholders,

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

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

- Presentation of the Board of Director's report on the Company's activities and on the financial statements for the year ended on December 31, 2017 and presentation of the Statutory Auditors' general report on the financial statements for the year ended on December 31, 2017;
- Presentation of the Board of Director's Group management report and reading of the Statutory Auditors' general report on the consolidated financial statements for the year ended on December 31, 2017;
- Approval of the annual financial statements for the year ended on December 31, 2017 (Resolution n°1);
- Approval of the reports and consolidated financial statements for the year ended on December 31, 2016 (Resolution n°2);
- Allocation of the results for the year ended on December 31, 2017 (Resolution n°3);
- Reading of the Statutory Auditors' special report and supplementary report on the regulated agreements referred to in articles L. 225-38 *et seq.* of the French Commercial Code and approval of the regulated agreements referred to in the special report (Resolution n°4);
- Ratification, in accordance with article L.225-42 of the French Commercial Code of the regulated agreement subject to articles L. 225-38 *et seq.* of the French Commercial Code (Resolution n°5);
- Ratification, in accordance with article L.225-42 of the French Commercial Code of the regulated agreement subject to articles L. 225-38 *et seq.* of the French Commercial Code (Resolution n°6);
- Reading of the Board of Director's special report on the options to subscribe or purchase Company's shares in accordance with article L. 225-184 of the French Commercial Code ;
- Reading of the Board of Director's special report on the granting of free shares in accordance with article L. 225-197-4 of the French Commercial Code ;

- Reading of the table summarizing the delegations of authority and powers granted by the General Meeting to the Board of Directors in respect of capital increases, in accordance with articles L. 225-129-1 *et seq.* of the French Commercial Code ;
- Reading of the Board of Directors' supplementary report on the use of delegations of powers granted by the General Meeting, in accordance with article R. 225-116 of the French Commercial Code;
- Authorization for the Company's to repurchase its own shares (Resolution n°7);
- Determination of attendance fees to be allocated to members of the Board of Directors (Resolution n°8);
- Approval of the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be paid or granted and paid or granted to Jean-François MOUNEY, President and Chief Executive Officer for the 2017 financial year (Resolution n°9);
- Approval of principles and criteria for determining, allocating and granting of the fixed, variable and extraordinary components of overall compensation and benefits of all kind that may be granted to the President and Chief Executive Officer (Resolution n°10);
- Renewal of Ernst & Young et Autres as Statutory Auditor and its deputy statutory auditor (Resolution n°11);
- Renewal of Grant Thornton as Statutory Auditor and its deputy statutory auditor (Resolution n°12);

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

- Delegation of authority granted to the Board of Directors concerning the issuance of ordinary shares of the Company and/or of securities giving access to the share capital of the Company, with shareholders' preferential subscription rights (Resolution n°13);
- Delegation of authority granted to the Board of Directors concerning the issuance of ordinary shares of the Company and/or of securities giving access to the share capital of the Company, without shareholders' preferential subscription rights (Resolution n°14);
- Delegation of authority granted to the Board of Directors concerning the issuance, without shareholders' preferential subscription rights, of ordinary shares of the Company and/or securities giving access to the share capital of the Company, within the framework of an offering as described in paragraph II of article L. 411-2 of the French Code monétaire et financier (Resolution n°15);
- Determination of the issuance price, up to the limit of 10% of the share capital per annum, of the ordinary shares and/or of the securities giving access to the share capital of the Company, in the event of a withdrawal of shareholders' preferential subscription rights (Resolution n°16);
- Delegation of authority granted to the Board of Directors to issue ordinary shares and/or securities giving access to the share capital of the Company without preferential subscription rights and for the benefit of a category of persons (Resolution n°17);
- Authorisation granted to the Board of Directors to increase by 15% the number of securities to be issued in the event of a share capital increase with or without shareholders' preferential subscription rights (Resolution n°18);
- Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, as compensation for contributions in kind comprised of equity securities or securities giving access to the share capital (Resolution n°19);
- Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, in the event of a public exchange offer initiated by the Company (Resolution n°20);

- Overall cap applicable to the authorisations provided for in resolutions n°13 to 15 and n°17 to 20 (Resolution n°21);
- Delegation of authority granted to the Board of Directors for the purpose of issuing autonomous share subscription warrants reserved for the members of the Board of Directors and the consultants of the Company (Resolution n°22);
- Authorisation granted to the Board of Directors to allocate options to subscribe and/or purchase shares (Resolution n°23);
- Authorisation granted to the Board of Directors to allocate existing or new free shares (Resolution n°24);
- Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company for the benefit of the members of a company savings plan (Resolution n°25);
- Delegation of power granted to the Board of Directors for the purpose of cancelling all or part of the treasury shares of the Company, acquired pursuant to the authorisation to repurchase shares (Resolution n°26);

III. POWERS FOR FORMALITIES

- Powers to carry out legal formalities (Resolution n°27).

The purpose of this report is to present the draft resolutions submitted by your Board of Directors to your Shareholders' Meeting. It is intended to present to you the important points of the draft resolutions, in accordance with the regulations in force. It does not claim, therefore, to be exhaustive; you are advised to read the text of the draft resolutions carefully before exercising your right to vote.

The financial position, the activity and the results of the Company during the past financial year, as well as the various information required by the legal and regulatory provisions in force, are also included in the 2017 Registration Document registered on April 27, 2018 by the French Financial Markets Authority ("**AMF**") under number R.18-032 to which you are invited to refer.

SUMMARY

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

1. Business

The Board of Directors reports on the progress of the business during the 2017 fiscal year and since the beginning of 2018 in the management report included in the Registration Document registered on 27 April 2018 by the AMF under the number R.18-032 and made available to you in accordance with legal and regulatory provisions, in particular on the Company's website (www.genfit.com).

We invite you to refer to it.

2. Approval of the financial statements, reports and allocation of earnings for the financial year ended on 31 December 2017 (Resolutions n°1, 2 and 3)

a. Financial statements for the financial year ended on 31 December 2017 (Resolution n°1)

The financial statements submitted to your approval, namely the balance sheet, income statement and the notes to the financial statements for the year ended 31 December 2017, and approved by the Board of Directors on March 12, 2018, have been established pursuant to the presentation rules and evaluation methods set forth by regulations in force in France.

The Board of Directors presents this set of financial statements for your approval, for the approval of the operations reflected in these statements and discharge to give to the members of the Board of Directors and the Statutory Auditors from their duties for said year.

The financial statements highlight a net profit (loss) of 58,476,396 Euros under the financial year ended on 31 December 2017, against a net profit (loss) of 33,572,880 Euros under the financial year ended on 31 December 2016.

In accordance with articles 233 *quater* and 223 *quinquies* of the French General Tax Code, it is required that you acknowledge that there are no expenditures or charges deductible from the Company's taxable income as referred to in article 39.4 of the French General Tax Code.

For comments on these financial statements, please refer to the management report of the Board of Directors and Statutory Auditors report, included in the Registration Document registered with the AMF on 27 April 2018 under number R.18-032 which have been made available to you in accordance with applicable regulations.

b. Consolidated financial statements and reports for the financial year ended on 31 December 2015 (Resolution n°2)

The consolidated financial statements submitted to your approval, namely the balance sheet, income statement, statement of cash flows and statement of changes in equity and the notes for the year ended 31 December 2017 approved by the Board of Directors on 12 March 2018, have been established pursuant to the IFRS standards.

The Board of Directors presents this set of financial statements, reports and special reports for your approval and for the approval of the operations reflected in these statements or summarized in these reports and discharge to give to the members of the Board of Directors and the Statutory Auditors from their duties for said year.

The consolidated financial statements highlight a net profit (loss) of 58,603,567 Euros under the financial year ended on 31 December 2017, against a net profit (loss) of 33,666,881 Euros under the financial year ended on 31 December 2016.

For comments on these consolidated financial statements, please refer to the management report of the Board of Directors and Statutory Auditors report, included in the Registration Document registered with the AMF on 27 April 2018 under number R.18-032 which have been made available to you in accordance with applicable law and regulations.

c. Proposal as regards the allocation of earnings (Resolution n°3)

The results of the financial year highlight, in light of the financial statements, a net loss of 58,476,396 Euros, which we propose you allocate to "Retained Earnings". After allocation of this profit, the "Retained earnings" will represent a loss of 165,857,461 Euros.

There will not be an allocation of dividends under the financial year ended on 31 December 2017.

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

3. Related-party transactions (Resolutions n°4, 5 and 6)

No agreement falling within the scope of articles L.225-86 and *seq.* of the French Commercial Code was entered into during the past financial year. .

One agreement authorised and entered into continued to be performed during the past financial year.

The Statutory Auditors' special report on this matter is included in the Registration Document registered with the AMF on 27 April 2018 under number R.18-032.

In resolution n°5, we further propose that you ratify the agreement referred to in Articles L.225-38 et *seq.* of the French Commercial Code (Code de commerce) formalizing the domiciliation free of charge of Biotech Avenir during the start-up period of its business for reasons of operational convenience authorized by the Board of Directors on April 26, 2018, which began with the delivery of the Company's current laboratories in 2001.

At the time this domiciliation started, the sole purpose of Biotech Avenir was to participate in the capital of the Company, which remains the case today. This domiciliation free of charge has continued since then, at no cost to the Company.

At the time of the establishment of this regulated agreement, Mr. Jean-François Mouney and Mrs. Florence Séjourné were members of the management committee of Biotech Avenir and respectively Chairman and member of the Executive Board of the Company. In addition, Biotech Avenir, which then held more than 5% of the Company's voting rights (threshold applicable at the time), was a member of the Supervisory Board of the Company.

We also propose in resolution n° 6, to ratify the agreement subject to articles L.225-38 et *seq.* of the French Commercial Code formalizing the domiciliation free of charge of The Nash Education Program Endowment Fund during the start-up period of its activity for reasons of operational convenience, authorized by the Board of Directors on April 26, 2018 and having started when it was created in 2016.

At the time this domiciliation started, the Company was its only financial contributor, which remained the case in 2017. The Company has granted the domiciliation free of charge, with no specific cost associated with this domiciliation and to allow the Fund to devote most of its resources to its work in the public interest.

At the time of the establishment of this regulated agreement, Mr. Jean-François Mouney and Mrs. Nathalie Huitorel were respectively Chairman and member of the Board of Directors of the Endowment Fund "The Nash Education Program" and respectively Chairman and member of the Executive Board of the Company. In addition, Mr. Xavier Guille des Buttes was Chairman of the Supervisory Board and Vice President of the Endowment Fund "The Nash Education Program".

The supplementary special report of the Statutory Auditors on these points appears in the Registration Document registered on 27 April 2018 by the AMF under the number R.18-032 which has been made available to you in accordance with applicable legal and regulatory provisions.

4. Company share repurchase Programme (Resolution n°7)

We propose under resolution n°7, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, that you authorise the Board of Directors, along with the power to sub-delegate pursuant to the conditions provided for by law, to purchase the Company's shares as part of the implementation of a share repurchase programme.

The General Meeting would decide that:

- The maximum purchase price (excluding charges) per share would be set at Euro 125, and
- the maximum amount that the Company would be able to allocate to the repurchase programme of its own shares would not exceed the amount of Euros 1,500,000. This maximum amount was increased in relation to the authorization given by the Shareholders' Meeting of June 16, 2017 (it was Euros 500,000), so that, if necessary, the Company could provide the liquidity contract with means more commensurate with market marking with respect to the shares.

The Company could purchase a number of shares such that:

- the maximum number of shares that could be acquired pursuant to this authorization may not exceed ten percent (10%) of the total number of shares comprising the Company's share capital and five percent (5%) of the total number of shares comprising the Company's share capital for the acquisitions made to retain shares and to subsequently use them as payment or in an exchange in the context of a merger, split or contribution transaction; it being specified that (i) these limits would apply to an amount of the Company's share capital that would be adjusted, if necessary, to take into account those transactions that could affect the share capital subsequent to the Shareholders' Meeting held on 15 June 2018, and (ii) should the shares be bought back to promote liquidity under the conditions set out by the General Regulations of the *Autorité des marchés financiers*, the number of shares taken into account to calculate the above mentioned 10% limit would correspond to the number of shares purchased, minus the number of shares re-sold during the authorization period; and
- the acquisitions carried out by the Company shall not result in the Company holding, at any moment whatsoever, directly or indirectly, more than ten percent (10%) of its share capital.

This authorization would be intended to allow the Company to pursue the following objectives, in compliance with applicable legislative and regulatory provisions:

- (i) to retain the Company's shares that may have been purchased and to use them in exchange or in payment within the context of potential external growth transactions, in accordance with stock market regulations;
- (ii) to deliver shares upon the exercise of rights attached to securities giving access to the share capital of the Company;
- (iii) to allocate shares to employees or corporate officers of the Company or its subsidiaries in accordance with the terms and conditions set forth by law, in particular with respect to the allocation of free shares, the participation in the profits resulting from the expansion of the business, the stock option plans or through a company savings plan;
- (iv) to ensure liquidity and to promote the secondary market for the Company's securities, which would be accomplished by an investment services provider acting under a liquidity contract in compliance with the ethics charter approved by the *Autorité des marchés financiers*;
- (v) to cancel all or part of the repurchased securities, provided resolution n°26 is adopted; and
- (vi) to accomplish all other authorized goals or goals that could become authorized by law or recognized or that would be recognized as a market practice by the *Autorité des Marchés Financiers*, in which case the Company would inform its shareholders by way of a press release.

These purchase, sale, exchange or transfer transactions could be carried out in any manner, that is, either on the regulated market, on a multilateral trading facility, through a systematic internalizer or through an over-the-counter transaction, such as an acquisition or block trades, or by resorting to financial instruments, in particular financial derivatives negotiated on a regulated market, on a multilateral trading facility, through a systematic internalizer or through a private transaction or by resorting to warrants, in compliance with the conditions set forth by the legislative and regulatory provisions that are applicable on the date of the considered transactions and during the periods set by the Company's Board of Directors or by the person to whom the Board of Directors may have delegated its authority. The maximum portion of the share capital acquired or transferred in the form of blocks trades could be the total amount of the repurchase program.

The Shareholders' Meeting would delegate to the Board of Directors, along with the power to sub-delegate pursuant to the conditions set forth in article L. 225-209 of the French Commercial Code, in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, allocation of free shares, split or reverse stock split, distribution of reserves or of any other assets, redemption of share capital or any other transaction affecting shareholders' equity, powers to adjust the aforementioned maximum purchase price so as to take into account the impact of such transactions on the value of the shares.

Moreover, the Shareholders' Meeting would grant full powers to the Board of Directors, along with the power to sub-delegate pursuant to the conditions set forth in article L. 225-209 of the French Commercial Code, to decide and implement this authorization, to specify, if necessary, its terms and, in particular, to place any on or off-market orders, to allocate or reallocate purchased shares to the various set objectives, in accordance with applicable laws and regulations, to enter into any agreements, particularly for the purpose of maintaining share purchase and sale registries, to complete any formalities or statements with any agencies, particularly the *Autorité des marchés financiers* and, generally speaking, to take any necessary action in order to complete the transactions that could be carried out pursuant to this authorization.

The Shareholders' Meeting would also grant full powers to the Board of Directors, if the law or the *Autorité des marchés financiers* were to extend or supplement to the authorized objectives for share repurchase programs, to inform the public of any changes to the repurchase program concerning the modified objectives, in accordance with applicable laws and regulations.

This authorization would be granted for a period of 18 months from the date of the Shareholders' Meeting held on 15 June 2018. It would void, from this day, any prior authorization having the same purpose, *i.e.* any authorization relating to the repurchase of its own shares by the Company. This authorization would therefore void the authorization granted by the Shareholders' Meeting dated 16 June 2017 pursuant to its 23rd resolution.

The description and the assessment of the share repurchase program adopted by the Shareholders' Meeting held on 16 June 2017, are included in the management report of the Board of Directors on the financial statements for the 2017 financial year included in the Registration Document registered by the AMF on 27 April 2018 under n° R.18-032 and show that the authorization granted to the Board of Directors by the Shareholders has been used solely to ensure liquidity and promote the secondary market for the Company's securities, this task having been accomplished by an investment services provider acting under a liquidity contract in compliance with the ethics charter established by the AMAFI and recognised by the *Autorité des Marchés Financiers*.

Please refer to paragraph II.4 of the present Report for a description of the resolution relating to shares cancellation.

5. Compensation of directors (Resolutions n°8, 9 and 10)

a. Attendance fees (Resolution n°8)

In accordance with the recommendations made by the Nomination and Compensation Committee, the report of which appears in Appendix II, we invite you to express your opinion on the allocation, as attendance fees, for the benefit of independent members, natural persons not representing a person Board of Directors, with an overall budget of up to €225,000 for the period beginning with the General Meeting of June 15, 2018 until the General Meeting to decide on the financial statements for the year ended December 31, 2018.

This envelope was €225,000 for the period beginning January 1, 2017 until the General Meeting to decide on the financial statements for the year ended December 31, 2017, *i.e.* the general meeting of June 15, 2018. The new envelope proposed to you applies for a maximum period of approximately one year and reflects:

- the increase in the responsibilities of the independent, individual directors since the transformation of the Company's administration on June 16, 2017 from a dual-tier corporation with an executive board and supervisory board into a one-tier corporation with a Board of Directors.

- the projected increase in the activity of your Board and its committees for the end of the 2017 fiscal year and the beginning of the 2018 fiscal year, in relation to the Company's recent events and development projects (as indicated in the introduction to paragraph II of this Report) and with the creation of an Alliances Committee.

It could also, if necessary, allow the recruitment of new independent members who are individuals, to meet the growing need for expertise of the Board and its specialized committees related to recent events, development projects and internationalization of the Company.

This envelope remains in the low end of the average of the envelopes observed in comparable companies, moreover when this benchmarking is extended to the competing Anglo-Saxon of comparable size.

It will be for the Board to allocate all or part of this sum among its independent members according to a calculation related to their responsibility within the Board and its various specialized committees (fixed compensation is provided for all members who will vary according to their positions within these different bodies) and their rate of participation in the meetings of your Board of Directors and its three specialized committees.

The management report and the corporate governance report of the Company included in the Registration Document registered on April 27, 2018 by the AMF under number R.18-032 give the details of the terms and distribution of these attendance fees on the date of the Registration Document.

In addition, it is expected that the independent members, individuals not representing a legal entity of the Board of Directors may benefit from Share Warrants (*Bons de Souscription d'actions Autonomes*) which are the subject of a separate resolution falling under the ambit of Extraordinary Shareholders' Meeting (Resolution n°20).

The management report and the corporate governance report of the Company included in the Registration Document registered on April 27, 2018 by the AMF under number R.18-032 give details of the terms and conditions of these warrants at the date of this Registration Document.

b. Fixed, variable and extraordinary components of overall compensation and benefits of all kind paid or granted to the Chairman and Chief Executive Officer for the 2017 financial year (Resolution n°9)

In accordance with the recommendations made by the Nomination and Compensation Committee, the report of which appears in Appendix III, to which the Chairman and Chief Executive Officer did not contribute, we invite you to comment on the fixed, variable and exceptional components that make up the total compensation and benefits in kind paid or allocated to the Chairman and Chief Executive Officer of the Company for the 2017 financial year.

These components are described in the management report and the corporate governance report of the Company included in the Registration Document registered on April 27, 2018 by the AMF under number R.18-032 under chapter 15.1.2. and 17.5 and comply in all respects with the principles and criteria for determining and allocating variable and exceptional fixed components of the total compensation and benefits of any kind of the Chairman and Chief Executive Officer adopted by the General Meeting of 16 June 2017.

c. Approval of principles and criteria for determining, allocating and granting of the fixed, variable and extraordinary components of overall compensation and benefits in kind that may be granted to the Chairman and Chief Executive Officer (Resolution n°10)

In accordance with the recommendations made by the Nomination and Compensation Committee, the report of which appears in Appendix III, to which the Chairman and Chief Executive Officer did not contribute, the Board of Directors has decided on the compensation policy of the Chairman and Chief Executive Officer of the Company for 2018.

In accordance with Article L.225-37-2 of the French Commercial Code, we invite you to approve the policy for the determination, distribution and allocation of fixed, variable and exceptional items, the component and the benefits in kind that would be allocated, as described in the management report and the corporate governance report of the Company included in the Registration Document registered on April 27, 2018 by the AMF under number R.18-032 under chapter 15.1.2.

Among these components, only the fixed component of the compensation would change compared to 2017. As the Say on Pay Report approved by the General Meeting of June 16, 2017 has provided, this fixed compensation would be increased in proportion to the overall salary increase applied to the entire staff of the Company, i.e. 5.8%, due to the broadening of responsibilities that comes with the current stage of the Company's development. As indicated in sections 15.1.2 and 17.5 of the Registration Document filed on April 27, 2018 with the AMF under number R.18-032, the other variable and exceptional items would remain unchanged in relation to 2017. This is the same case with respect to the other benefits; except that the Chairman and Chief Executive Officer will no longer benefit from GSC unemployment insurance.

6. Renewal of the principal and deputy statutory auditors (Resolutions n°11 and 12)

As the term of office of the principal co-Statutory Auditor, Ernst & Young et Autres expires, we propose that you renew it for an additional six years (Resolution n°11). The term of office of its deputy, Auditex, also expires, we also propose, in this 11th resolution, to renew the latter for the same duration of six fiscal years.

Since the term of office of the other co-Statutory Auditor, Grant Thornton also expires; we propose that you renew it for an additional six years (Resolution No. 12). The term of office of its deputy, IGEC, also expires, we also propose, in this 12th resolution, to renew the latter for the same duration of six fiscal years.

These renewal proposals are in line with the (term-of-mandate) rules set forth by the reform of the legal audit aimed at harmonizing rules within the European Union.

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

It is proposed, in the context of the financial resolutions developed in section II.1 of this Report, to grant the Board of Directors the possibility of increasing the share capital of the Company, so as to be able to seize opportunities to strengthen the capital of the Company, which are required to expand its business and, as the case may be, to seize external growth opportunities.

Moreover, and as is mentioned in paragraph II.2. of this Report, you are being asked in accordance with the recommendations made by the Nomination and Compensation Committee, the report of which is set out in Appendix II, to which the Chairman and Chief Executive Officer did not contribute with regard to the provisions concerning him, to approve the setting up of long term incentive plans for the employees, management (stock-options and free shares/ performance shares), certain members of the members of the Board of Directors and certain consultants of the Company (share warrants).

1. Financial authorizations to the Board of Directors to increase the share capital (Resolutions n°13 to 21)

The maximum number of share that may be issued pursuant to the financial delegations (resolutions n° 13 to 20) represents approximately 29% of the current number of shares, i.e. a maximum dilution of about 22% of the share capital on a fully diluted basis (this overall cap is provided for in resolution n°21).

The financial authorizations granted by the Combined General Meeting of June 16, 2017 to allow your Board of Directors to increase the capital of your Company have in fact been nearly used in full with the issue of convertible bonds (OCEANE) in October 2017 (see table of use of delegations granted by the Combined General Meeting of 16 June 2017 reproduced in Appendix I); which allowed the

Company to raise a gross sum of approximately 180 million euros which is currently used and will continue to be used to:

- Complete the Phase 3 clinical development program for elafibranor in NASH and continue the Pediatric Investigation Plan in the same disease;
- Prepare, subject to the results of the Phase 3 pivotal study, the application for marketing approval of elafibranor in NASH;
- Prepare the potential commercialization of elafibranor in certain diseases and/or in certain territories;
- Finance the industrial development stage of a new in vitro diagnostic test as part of the continuation of the biomarker program; and
- Reinforce the Company's pipeline through in-licensing or combination therapy strategies in therapeutic areas of interest to the Company.

Without waiting for the intermediate results of the RESOLVE-IT study and the revenues that could come from a potential license agreement for the commercialization of elafibranor in NASH in some territories and a possible commercialization of the product in others, we ask you, by submitting to your vote, the renewal of these financial delegations, to kindly grant the Company the necessary tools to carry out financing operations in order to continue the development of other ongoing clinical programs: possible continuation of the development of elafibranor in PBC if results of the ongoing phase II clinical trial in this indication are conclusive, possible continuation of clinical development of nitazoxanide in fibrosis if results of phase 2 trial due to start in 2018 prove conclusive.

It would also, if necessary, give the Company the means to be able to co-finance with an industrial partner the clinical development of a combination of products in NASH and / or fibrosis associating one or the other of the Company's drug candidates, or to co-finance with an industrial partner the continuation of the RESOLVE-IT trial once conditional marketing authorization has been obtained by elafibranor in NASH. Finally, it would be allow the Company to prepare the launch of subsidiaries intended to market the product in the territories in which your Company would have chosen to retain rights to commercialization.

Thus, all of these financial delegations are intended, in part, to provide the Company with the flexibility and responsiveness necessary to seize the strategic opportunities that would come its way by authorizing the Board of Directors to choose, particularly in terms of the evolution of market conditions and associated financing needs, the most appropriate means of financing the Genfit Group at the times and in the manner that it deems most appropriate. With this in mind, your Board of Directors proposes to increase the ceilings compared to last year in order to provide the Company with potentially greater financial resources given its stage of development and prospects.

The approval of these delegations by your Shareholders' Meeting would confirms the Board of Directors in its legitimacy for example, to undertake, with optimal flexibility and responsiveness, a potential IPO in the United States, or to be able to seize an opportunity to increase the overall valuation of the Company by carrying out an external growth transaction.

These increases in capital may be carried:

- with shareholders' preferential subscription right (resolution n°13)
- without preferential subscription right, but in the context of public offers, including, as the case may be and if market conditions enable it, to meet a possible interest of the American investors, via an initial public offering in the United-States (resolution n°14), or

- without preferential subscription right, but in the context of private transactions reserved to qualified investors (resolution n°15)¹, or reserved to, as the case may be, to a category of persons (resolution n°17)²; considering that in the past, transactions of the kind of those that could be implemented pursuant to the delegation of authority requested in resolutions n°13 or 15, which may be performed within a short timeframe in order to properly seize market opportunities, have enabled your Company to raise a total of €83.5 million in 2016 and €180 million in 2017.

You are also being asked to grant the Board of Directors the flexibility to:

- Provide for (resolution n°16), but only up to the limit of 10% of the share capital per 12 months, and only for the transactions that would be carried out without shareholders' preferential subscription right, through a public offering (resolution n°14) or through a private placement for the benefit of qualified investors (resolution n°17), a maximum 15% discount, higher than the 5% discount by default (resolution n°18) to successfully complete transactions in a challenging market context (such as the one during which the last 49.6 million euros fund raising was performed in February 2016). It is specified in this regard that this maximum 15% discount is the one applicable to private placements reserved to a category of persons (resolution n°17);
- Provide for the possibility to increase the initial size of the operation by 15% (resolution n°18), it being specified:
 - that this increase in the size of the transaction, the so-called "green shoe" clause, is intended to provide the banks securing the transaction with the tools needed to counter a possible downward pressure on the stock price in the hours and days following the first listing of the new securities;
 - that the possible use of this over-allotment option by the bank securing the transaction would represent for the shareholders an additional capital increase and thus additional funds raised by the Company at the same price as the initial transaction and within the cap of the resolution used to implement the transaction. It may therefore not lead to a dilution higher than the 22% specified above, within the limit of the overall 22% cap provided for by resolution n°21.

Last, you are being asked to grant the Board of Directors the authorizations required to seize external growth transactions that may be paid in shares rather than in cash:

- through contributions in kind – up to 10% of the share capital (resolution n°19), or
- through an exchange public offer (resolution n°20).

a. Delegation of authority to the Board of Directors concerning the issuance of ordinary shares and/or of securities giving access to the share capital of the Company, with shareholders' preferential subscription rights (Resolution n°13)

It is proposed, in resolution n°13, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6 and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Board of Directors to decide, with shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, including through the allocation of free share warrants, either in euros or in any other currency or monetary unit established by reference to several currencies, in France or outside of

¹ The size of such transactions is capped, by law, at 20% of the share capital.

² Pursuant to resolution n°117, this category of beneficiaries includes the following entities: (i) industrial or commercial companies of the pharmaceutical/biotech sector; (ii) investment companies or fund management companies, or collective savings managing funds of French or foreign law or any other entity (including a trust) or individual investing in the pharmaceutical sector in a private placement; and (iii) investment services providers of French or foreign law likely to guarantee such a transaction.

France, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date ("*date de jouissance*"). Such issuance could be carried out once in full or in various instalments, in the proportions and at the times it shall determine. It is hereby further specified that the Board of Directors would also have the option to sub-delegate all necessary powers to decide and implement the share capital increase to the CEO or, with his approval, to one or several Deputy CEOs, under the conditions set forth by law;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Decides that the nominal amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to this delegation shall not exceed an overall nominal amount of EUR 2,250,000 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 9,000,000 shares), it being specified that this amount would be included in the overall nominal cap amount of EUR 2,250,000 set forth in resolution n°21 and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

4. Also delegates its authority to the Board of Directors for the purpose of deciding on the issuance of debt securities giving access to share capital of the Company to be issued;

5. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation would amount to a maximum of EUR 200,000,000 or to the exchange value of this amount in the event of an issuance carried out in any currency or in any monetary unit established by reference to several currencies;

6. Decides that the shareholders would have the option of exercising their preferential subscription right with respect to the amount they are irrevocably entitled to, under the conditions set forth by law. In addition, the Board of Directors would have the option of granting shareholders the right to subscribe, subject to a reduction, a number of securities that is higher than the amount they are irrevocably entitled to, in proportion to the subscription rights they hold and, in all cases, up to the limit of the amount they request. Should the subscriptions made as an irrevocable right and, as the case may be, the subscriptions subject to a reduction, not exhaust the total amount of an issuance of securities, the Board of Directors would be able to use the following faculties:

- limit the issue to the amount of the subscriptions on the condition that such amount is equal to at least three-quarters of the decided increase,
- freely allocate all or part of the unsubscribed securities,
- offer to the public all or part of the unsubscribed securities;

7. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority would automatically imply shareholders' renunciation of their preferential subscription right to shares that these securities grant rights over immediately or in the future;

8. Decides that the amount paid or that should be paid to the company for each of the shares issued pursuant to this delegation would be at least equal to the nominal value of the share on the issuance date of said shares;

9. Acknowledges that this delegation voids, from the day of the Shareholders' Meeting held on June 15, 2018, any prior delegation of authority having the same purpose, *i.e.* any delegation relating to a share capital increase with shareholders' preferential subscription rights, covering the shares and securities referred to in resolution n°13. This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its 9th resolution; and

10. Acknowledges that, in the event of the use by the Board of Directors of the delegation of authority granted by resolution n°13, the Board of Directors would report to the following ordinary shareholders' meeting, in accordance with applicable laws and regulations, on the use made of the delegation of authority granted by resolution n°13.

The delegation of authority thus granted to the Board of Directors would be valid for a term of 26 months as from the date of Shareholders' Meeting held on June 15, 2018.

b. Delegation of authority granted to the Board of Directors concerning the issuance of ordinary shares of the Company and/or of securities giving access to the share capital of the Company, without shareholders' preferential subscription rights (Resolution n°14)

It is proposed, in resolution n°14, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Board of Directors to decide, without shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*). Such issuance would be carried out through a public offering, once in full or in various instalments, at the time or times set by the Board of Directors and in the proportions it shall determine, either in euros or in any other currency or monetary unit established by reference to several currencies, both in France and outside France. It is hereby further specified that the Board of Directors would also have the option to sub-delegate all necessary powers to decide and implement the share capital increase to the CEO or, with the CEO's approval, to one or several Deputy CEOs, under the conditions set forth by law;
2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;
3. Decides that the nominal amount of the share capital increases that could potentially be carried out immediately or in the future pursuant to this delegation shall not exceed an overall nominal amount of EUR 2,250,000 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 9,000,000 shares), it being specified that this amount would be included in the overall nominal cap amount of EUR 2,250,000 suggested in resolution n°21 and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;
4. Also delegates its authority to the Board of Directors for the purpose of deciding on the issuance of debt securities giving access to share capital of the Company to be issued;
5. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation will amount to a maximum of EUR 200,000,000 or to the exchange value of this amount in the event of an issuance carried out in any other currency or in currency units set through reference to a number of currencies;
6. Decides to suppress the preferential subscription right of shareholders to the securities to be issued pursuant to this delegation. The Board of Directors would have the option to grant shareholders a priority subscription period on all or part of the issuance of these securities, for a duration and under conditions it shall determine, in accordance with the provisions of paragraph 5 of article L. 225-135 of the French Commercial Code. This priority period would not give rise to the creation of marketable entitlements and would be exercised in proportion to the number of shares owned by each shareholder and could potentially be supplemented by a subscription subject to reduction;
7. Acknowledges that if the subscriptions have not absorbed all of the issuance of shares or securities giving access to the share capital, the Board of Directors could limit the amount of the transaction to the amount of the subscriptions received;
8. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies shareholders' renunciation of their preferential subscription right to shares or securities giving access to the share capital of the Company that these securities grant rights over immediately or in the future;
9. Decides that the issuance price of the shares issued pursuant to this delegation will be set at least equal to the minimum value set forth by law and applicable regulations at the time this delegation is

used, which currently corresponds to the weighted average of the price of the share during the last three stock market trading days preceding the day on which the issuance price is set, minus, as the case may be, a maximum discount of 5% of this amount, after any applicable corrections in order to account for the difference in dividend entitlement date (*date de jouissance*) if any;

10. Decides that the issue price of the securities giving access to the share capital will be such that the amount received immediately by the Company, increased, as applicable, by the amount it is likely to receive in the future, be, for each share issued as a result of the issue of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;

11. Acknowledges that resolution n°14 would void, from the day of the Shareholders' Meeting held on June 15, 2018, any prior delegation of authority having the same purpose, *i.e.* any delegation relating to a share capital increase without shareholders' preferential subscription rights, covering the shares and securities referred to in resolution n°14. This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°10; and

12. Acknowledges that, in the event of the use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would report to the following Ordinary Shareholders' Meeting, in accordance with applicable laws and regulations, on the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Board of Directors would be valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018.

c. Delegation of authority to the Board of Directors concerning the issuance, without shareholders' preferential subscription rights, of ordinary shares of the Company and/or securities giving access to the share capital of the Company, within the framework of an offering as described in paragraph II of article L. 411-2 of the French Monetary and Financial Code (Resolution n°15)

It is proposed, in resolution n°15 that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code and L. 411-2 of the French Monetary and Financial Code:

1. Delegates its authority to the Board of Directors to decide, without shareholders' preferential subscription rights, on the issuance of shares or any other securities giving access to the share capital of the Company, it being specified that said shares grant the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*). Such issuance would be carried out through an offering qualified as a "private placement" as described in article L. 411-2 II of the French Monetary and Financial Code, once in full or in various instalments, in the proportions and at the times it shall determine, both in France and outside France, either in euros or in any other currency or monetary unit established by reference to several currencies. It is hereby further specified that the Board of Directors would also have the option to sub-delegate all necessary powers to decide on and implement the share capital increase to the CEO or, with his approval, to one or more Deputy CEOs, under the conditions set forth by law;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Decides that the nominal amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to this delegation would not exceed an overall nominal amount of EUR 2,250,000 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 9,000,000 shares), it being specified that this amount would be included in the overall nominal cap amount of EUR 2,250,000 suggested in resolution n°21 of this Shareholders' Meeting and that this overall nominal amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

4. Decides that, issuance of capital securities carried out pursuant to this delegation would not, in any event, exceed the limits set out by the applicable regulations on the issue date, *i.e.* 20 % *per annum* at the time of the issuance (it being specified that this 20% limit shall be assessed at any time and

shall apply to the share capital as adjusted according to the transactions, with or without a public offering, affecting it after the Shareholders' Meeting held on June 15, 2018);

5. Also delegates its authority to the Board of Directors for the purpose of deciding on the issuance of debt securities giving access to share capital of the Company to be issued;

6. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation would amount to a maximum of EUR 200,000,000 or to the exchange value of this amount in the event of an issuance carried out in any currency or monetary unit established by reference to several currencies;

7. Decides to suppress the preferential subscription right of shareholders to the securities to be issued pursuant to this delegation;

8. Acknowledges that if the subscriptions have not absorbed all of the issuance of shares or securities giving access to the share capital, the Board of Directors may limit the amount of the transaction to the amount of the subscriptions received;

9. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies shareholders' renunciation of their preferential subscription right to shares or securities giving access to the share capital that these securities grant rights over immediately or in the future;

10. Decides that the issuance price of the shares issued pursuant to this delegation would be at least equal to the minimum value set forth by law and applicable regulations at the time this delegation is used, which currently corresponds to the weighted average of the price of the share during the last three stock market trading days preceding the date on which the issuance price is set, minus, as the case may be, a maximum discount of 5% of this amount (after any applicable corrections in order to account for the difference in dividend entitlement date (*date de jouissance*) if any;

11. Decides that the issue price of the securities giving access to the capital will be such that the amount received immediately by the Company, increased, as applicable, by the amount it is likely to receive in the future, be, for each share issued as a result of the issue of these securities, at least equal to the minimum issuance price defined in the preceding paragraph;

12. Acknowledges that resolution n°15 would void, from the day of the Shareholders' meeting held on June 15, 2018, any prior delegation of authority having the same purpose, i.e. any delegation relating to a share capital increase without shareholders' preferential subscription rights performed in the context of an offer referred to in section II of article L. 411-2 of the French Monetary and Financial Code, covering the shares and securities referred to in this resolution n°15 (it being specified, as necessary, that this resolution does not have the same object as resolution n°17). This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°11; and

13. Acknowledges that, in the event of the use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would report to the subsequent Ordinary Shareholders' Meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Board of Directors would be valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018.

d. Determination of the issuance price, up to the limit of 10% of the share capital *per annum*, of the ordinary shares and/or of the securities giving access to the share capital of the Company, in the event of a withdrawal of shareholders' preferential subscription rights (Resolution n°16)

It is proposed, in resolution n°16, that the Shareholders' Meeting, pursuant to the provisions of paragraph 2 of article L. 225-136 1° of the French Commercial Code, and up to the limit of 10% of the share capital *per annum* at the time of the issuance (it being specified that this 10% limit shall be assessed at the time of the issuance and shall apply to the share capital as adjusted according to the transactions, with or without a public offering, affecting it subsequent to the Shareholders' Meeting held on June 15, 2018):

1. Authorizes the Board of Directors, with the option to sub-delegate, under the conditions set forth by law, to set the price of the ordinary shares issued directly or through the issuance of any other securities giving access to the share capital, after taking into account any market opportunities, at a price that is at least equal to the volume-weighted average (in the central order book excluding off-market block trades) of the closing prices of the Company's share chosen in a period including between five and thirty stock market trading days in a row among the last thirty stock market trading days preceding the date upon which the issuance price is set, it being specified that this average could be adjusted, if needed, to account for the different dividend entitlement date (*date de jouissance*) and potentially be discounted by a maximum amount of 15%;

2. Specifies that the 30 stock market trading days above are those that will immediately precede the determination of the issuance price of the ordinary shares, such determination to take place, as necessary, at the close of the period during which investors are placing firm or indicative subscription orders (such period being the "bookbuilding" period) and therefore to reflect the price of such orders;

3. Acknowledges that the Board of Directors would have the option to implement this resolution both pursuant to resolution n°14 and resolutions n°15; and

4. Acknowledges that, in the event of use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would prepare a supplementary report, certified by the Statutory Auditors, describing the final terms of the transaction and providing the criteria for assessing the actual impact on the shareholder's situation.

The delegation of authority thus granted to the Board of Directors would be valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018.

e. Delegation of authority to the Board of Directors to issue ordinary shares of the Company or shares giving access to the share capital of the Company with suppression of preferential subscription rights to shareholders for the benefit of a category of people (Resolution n°17)

It is proposed, in resolution n°17, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-138, L. 228-91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors to decide to increase the share capital, without shareholders' preferential subscription rights, once in full or in various instalments, for an overall nominal amount of EUR 2,250,000 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 9,000,000 shares), by the issue of shares and any other securities giving access to the capital of the Company, the said shares granting the same rights as previously issued shares subject to their dividend entitlement date (*date de jouissance*), it being specified that this amount would be included in the overall nominal cap amount of EUR 2,250,000 set forth in resolution n°21 and that this overall nominal amount would not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital; it being specified that the Board of Directors would have the option to sub-delegate all necessary powers to decide, implement or postpone the share capital increase to the CEO or, with the CEO's approval, to one or more Deputy CEOs, under the conditions set forth by law;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Also delegates its authority to the Board of Directors for the purpose of deciding on the issuance of securities entitling their holder to debt securities giving access to share capital of the Company to be issued;

4. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company or to debt securities that could potentially be issued pursuant to this delegation will amount to a maximum of EUR 200.000.000 or to the exchange value of this amount in the event of an issuance carried out in any currency or in any monetary unit established by reference to several currencies;

5. Decides to suppress the preferential subscription right of shareholders to the securities to be issued pursuant to this resolution and to reserved the subscription right to industrial or commercial companies in the pharmaceutical/biotech sector or investment companies or management companies or group savings funds managed under French or foreign law or any other legal person (including a trust) or individual, investing in the pharmaceutical / biotechnology sector, likely to invest in a private placement, as well as to French or foreign investment service providers likely to guarantee such a transaction, in accordance with the provisions of article L. 411-2 II of the French Monetary and Financial Code for French investors (“qualified investors” as defined in article D. 411-1 of the French Monetary and Financial Code and “restricted circle of investors” as defined in article D. 411-4 of the French Monetary and Financial Code) and with equivalent dispositions for foreign investors;

6. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies shareholders’ renunciation of their preferential subscription right to shares or securities giving access to the share capital that these securities grant rights;

7. Decides that the Board of Directors would set the list of the beneficiaries within the category of beneficiaries mentioned above to the benefit of which the preferential subscription right have been suppressed and will set the characteristics, the amount and the terms of any issue as well as the terms and conditions for paying up the issued shares. In particular, it would determine the number of shares to be issued to each beneficiary and would set, given the information contained in its report, the subscription price of such securities, their entitlement date, provided that the sum received or to be received by the Company for each share issued under this delegation shall be at least equal to the volume-weighted average (in the central order book and excluding off-market block trades) of the closing prices of the share selected from a period comprising between five and thirty consecutive sessions among the last thirty trading days preceding the date upon which the issuance price is set, it being specified that this average could be adjusted, if necessary, to account for the different dividend entitlement date (*date de jouissance*) and potentially be discounted by a maximum amount of 15%;

8. The Board of Directors may, within the framework of the sub-delegation referred to in paragraph 1 above, sub-delegate to the CEO and, with the approval of the latter, to one or more Deputy CEOs, the task of taking all or part of the decisions referred to above, where appropriate in accordance with indicative parameters which it may have.

9. Specifies that the 30 stock market trading days above are those that will immediately precede the determination of the issuance price of the ordinary shares, such determination to take place, as necessary, at the close of the period during which investors are placing firm or indicative subscription orders (such period being the “bookbuilding” period) and therefore to reflect the price of such orders;

10. Acknowledges that resolution n°17 would void, from the day of the Shareholders’ Meeting held on June 15, 2018, any prior delegation of authority having the same purpose, i.e., any delegation granted to the Board of Directors relating to the issue of ordinary shares of the Company or any other instrument granting access to the Company’s share capital, with suppression of preferential subscription rights and to the benefit of the aforementioned category of persons in (it being specified, as necessary, that this resolution does not have the same purpose as resolution n°15). This delegation would therefore void the delegation granted by the Shareholders’ Meeting held on June 16, 2017 pursuant to its resolution n°13; and

10. Acknowledges that, in the event of use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would report to the following Ordinary Shareholders’ Meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The authorization granted to the Board of Directors pursuant to this resolution would be valid for a term of 18 months as from the date of the Shareholders’ Meeting held on June 15, 2018.

f. Authorization granted to the Board of Directors to increase by 15% the number of securities to be issued in the event of a share capital increase with or without shareholders’ preferential subscription rights (Resolution n°18)

It is proposed, in resolution n°18, that the Shareholders’ Meeting, pursuant to the provisions of article L. 225-135-1 of the French Commercial Code:

1. Authorizes the Board of Directors, with the option to sub-delegate to the CEO or, with the CEO's approval, to one or more Deputy CEOs, under the conditions set forth by law, to increase the number of securities to be issued for each of the issuances, with or without shareholders' preferential subscription rights, decided upon pursuant to resolutions n°13, 14, 15, and 17 proposed to the Shareholders' Meeting held on June 15, 2018, within thirty days following the closing of the subscription period, up to a limit of 15% of the initial issuance, and at the same price as the price retained for the initial issuance; and

2. Decides that the maximum nominal amount of the capital increases that could potentially be carried out pursuant to this delegation of authority will be included in the overall nominal share capital increase cap set by resolution n°21 of this Shareholders' Meeting.

The authorization granted to the Board of Directors pursuant to the resolution would be valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018. This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°15.

g. Delegation of authority to the Board of Directors for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, as compensation for contributions in kind comprised of equity securities or securities giving access to the share capital (Resolution n°19)

It is proposed, in resolution n°19, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6, L. 225-147 paragraph 6 and L. 228- 91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Board of Directors for the purpose of deciding on the issuance of shares or any other securities giving access to the share capital of the Company, in order to offer compensation for contributions in kind granted to the Company and comprised of equity securities or securities giving access to the share capital, when the provisions of article L. 225-148 of the French Commercial Code do not apply and decides, as necessary, to suppress the preferential subscription right of shareholders to these shares and securities to be issued, for the benefit of the holders of these securities, it being specified that the overall nominal amount of the capital increases that could potentially be carried out pursuant to this delegation would not, at the time of the issuance, exceed 10% of the share capital (this 10% limit shall apply at the time of the issuance, to a share capital adjusted according to the transactions affecting it subsequent to the Shareholders' Meeting held on June 15, 2018), it being further specified that this amount would be included in the EUR 2,250,000 overall nominal cap amount set forth in resolution n°21;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares is expressly excluded from such issuance;

3. Also delegates its authority to the Board of Directors for the purpose of deciding on the issuance of debt securities giving access to share capital of the Company to be issued;

4. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation would amount to a maximum of EUR 200,000,000 or to the exchange value of this amount in the event of an issuance carried out in any currency or in monetary unit established by reference to several currencies;

5. Acknowledges that this delegation of authority implies shareholders' renunciation of their preferential subscription rights to ordinary shares to which the securities that would be issued based on this delegation may grant rights over immediately or in the future;

6. Decides that the Board of Directors would have full powers, with the option to sub-delegate under the conditions set forth by law, to enforce this resolution and, in particular, to set the list of securities contributed, approve or reduce the valuation of contributions and the granting of specific advantages, to set, as the case may be, the cash amount to be paid, and acknowledge the number of securities contributed to the exchange;

7. Acknowledges that resolution n°19 would void; from the day of the Shareholders' Meeting held on June 15, 2018, any prior delegation of authority having the same purpose, i.e., any delegation allowing the issuance of shares or securities giving access to the share capital without shareholders'

preferential subscription as compensation for contributions in kind, in the form of shares or securities giving access to the share capital. This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°15; and

8. Acknowledges that, in the event of the use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would report to the following Ordinary Shareholders' Meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority granted to the Board of Directors pursuant to this resolution would be valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018.

h. Delegation of authority to the Board of Directors for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, in the event of a public exchange offer initiated by the Company (Resolution n°20)

It is proposed, in resolution n°20, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6, L. 225-148 and L. 228- 91 et seq. of the French Commercial Code:

1. Delegates its authority to the Board of Directors for the purpose of deciding on the issuance of shares as well as any other securities giving access to the share capital of the Company, as compensation for securities tendered in the context of a public exchange offer initiated by the Company and carried out in France or outside France in accordance with local regulations, relating to the securities of another company admitted to trading on one of the regulated markets described in article L. 225-148 of the French Commercial Code, and decides, as necessary, to suppress the preferential subscription right of shareholders to these shares and securities to be issued, for the benefit of holders of these securities; the nominal amount of the share capital increases that could potentially be carried out pursuant to this delegation would not exceed an overall nominal amount of EUR 2,250,000 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 9,000,000 shares), it being specified that this amount would be included in the EUR 2,250,000 overall nominal cap amount set forth in resolution n°21 and that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

2. Decides that any issuance of preferential shares and securities giving access to preferential shares would expressly be excluded from such issuance;

3. Also delegates its authority to the Board of Directors for the purpose of deciding on the issuance of debt securities giving access to share capital of the Company to be issued;

4. Decides that the overall nominal amount of securities representing debt securities giving access to the share capital of the Company to be issued that could potentially be issued pursuant to this delegation would amount to a maximum of EUR 200,000,000 or to the exchange value of this amount in the event of an issuance carried out in any currency or in any monetary unit established by reference to several currencies;

5. Acknowledges that, for the benefit of holders of securities issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies shareholders' renunciation of their preferential subscription right to shares or securities giving access to the share capital that these securities grant rights over immediately or in the future;

6. Decides that the Board of Directors would have full powers, with the option to sub-delegate under the conditions set forth by law, to enforce this resolution and, in particular, to set the exchange parity as well as, if applicable, the cash amount to be paid, and to acknowledge the number of securities contributed to the exchange;

7. Acknowledges that resolution n°20 would void, from the day of the Shareholders' Meeting held on June 15, 2018, any prior delegation of authority having the same purpose, i.e., any delegation for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, in the event of a public exchange offer initiated by the Company. This delegation would

therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°16; and

8. Acknowledges that, in the event of the use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would report to the following Ordinary Shareholders' Meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority granted to the Board of Directors pursuant to this resolution would be valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018.

i. Overall limitations on the above authorisations (Resolution n°21)

It is proposed, in resolution n°21, that the Shareholders' Meeting of June 15, 2018, decides that the overall amount of the share capital increases that could potentially be carried out immediately and/or in the future pursuant to resolutions n°13, 14, 15, 17, 18, 19 and 20 of the Shareholders' Meeting of June 15, 2018, may not exceed an overall nominal amount of EUR 2,250,000 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 9,000,000 shares).

It is specified that this overall amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

2. Incentive instruments of directors, executive officers, employees and consultants (Resolutions n°22 to 25)

The maximum number of shares that may be issued in respect of instruments intended for employees, management, and certain members of the Board of Directors and consultants of the Company (resolutions n° 22 to 25) proposed by the Board of Directors represents 1.28% of the current share capital, i.e. a maximum dilution (if all the conditions related to these instruments are realized) of 1.27% on a fully diluted basis. This percentage is significantly low as compared to the listed biotechnology firms of equivalent size. Furthermore, these resolutions are essential to continue to motivate and reinforce, through the hiring of new talents, a successful management team and to associate them, as well as all the employees, with the success of the Company and its shareholders.

As in 2017 and in the same proportions, we ask (resolution n°22) that you authorize an envelope of 50,000 share warrants (BSA) for:

- on the one hand, of the independent members of the Board of Directors (in the context of the development plan for its composition intended to fulfil its growing need for expertise, mentioned in paragraph I.5 of the present Report). The allocation of BSA to the independent members of the Board of Directors makes it easier for them to build a capital of the Company's shares in line with the interest of the shareholders. Moreover, the inclusion of a share capital compensation element is fundamental to enable your Company to compensate the members of its Board of Directors in a way consistent with North American competitors' practices and more broadly with market practices of the biotechnology sector, and thus to attract and retain highly qualified professionals, and

- on the other hand, of consultants of the Company, notably scientific ones. In a highly competitive context and in line with market practices in this sector, it is also needed to offer a long term compensation element to the consultants of the Company who may not be granted options or free or performance shares. In effect, the Company must be able to encourage highly qualified consultants to stay by its side in the long run on its research projects. The allocation of BSA will notably contribute to attract and retain high level profiles in the new therapeutic areas in which the Company wishes to develop drug candidates such autoimmune or fibrotic diseases.

The allocation of BSA thus enables the Company to offer an appealing compensation system for its best profiles, while preserving its cash situation on the long run and, consequently, its ability to self-fund its research and development activities.

Resolutions n°23 (authorization to the Board of Directors to allocate options to subscribe and/or purchase shares) and 24 (authorization to the Board of Directors to allocate existing or new free shares), for their part, are intended to enable you Company to set up two new long-term incentive instruments in order to:

- continue to offer to its collaborators competitive packages as compared to those offered by the other companies of the sector, notably the American ones;
- offer the employee of the Company part of their global compensation in the form of Company shares, so as to contribute to align their interests and the shareholders' ones, involve the teams of the Company on the long run and retain the most creative talents by maintaining a direct link between their compensation level and the performance of the Genfit share.
- While maintaining the dilutive impact of these advantages granted to the employees and the executives managers of the Company and its subsidiaries in reasonable proportions and in line with the standards of the sector.

These resolutions are essential for continuing to motivate and reinforce, through the hiring of new talents, a successful management team and to associate them, as well as all the employees, to the success of the Company and its shareholders.

The terms and conditions for the allocation and/or exercise of these two new instruments shall be set by the Board of Directors. If the beneficiaries are executive officers, the Nominations and Remunerations Committee will advise the Board of Directors. However, we can tell you that the main terms of stock options and free shares that would be granted will be similar to those put in place under the stock option plans and free share plans set up in 2017 by your Company.

In particular, the conditions of presence and performance associated with the benefit of these instruments are included in the notes to the Group's consolidated financial statements for the year ended December 31, 2017 included in the registration document registered on April 27, 2018 by the AMF. under number R.18-032 to which we refer you for further details. These would be the following:

Granting of share subscription and/or purchase options (resolution n°23)

- Beneficiaries: the Board of Directors requests your authorization to grant these options for the benefit of the employees and the executive officers of the Company or the companies and groupings mentioned in article L.225-180 of the French Commercial Code, or to some of them.
- Exercise / transfer of the acquired shares: the Board of Directors shall determine a period during which the options granted may not be exercised and/or a period during which the shares acquired may not be transferred. This time period should be of at least three years from the day the options are granted to the beneficiaries.
- Performance conditions: in line with the best compensation practices, the exercise of the options granted to the executive officers shall be subject to performance conditions. The

same principle shall apply to allocations to some middle managers of the Company and its subsidiaries. It is expected that the performance conditions will be measured over a period of at least two years from their allocation. The business of the Company making it hard to assess its performance in the medium term or on the long run from a merely financial perspective, as is the case for other companies, and to assess the individual performance of each beneficiary, the performance criteria should be linked:

- to the progress and success of its scientific program from one year to the next;
- to corporate targets such as licensing agreements, the implementation of which is hard to predict several months or even years in advance.

Free/ performance shares allocations proposed (resolution n°24)

- Beneficiaries: the allocation of free / performance shares is intended for all the employees of the Company and the eligible executive officers pursuant to articles L.225-197-1 *et seq.* of the French Commercial Code, or to some of them.
- Acquisition and retention periods: pursuant to applicable legal provisions, the Board of Directors shall determine an acquisition period of at least one year, upon the expiry of which the allocation shall become definitive, followed, if deemed useful or necessary by the Board of Directors, by a retention period of a duration to be set, that will start from the definitive acquisition of the shares. It is specified that, in order to align these instruments with the shareholders' long term interests and the retention by the employees, the cumulative duration of the acquisition and, as the case may be, retention periods, shall not be less than three years, and the definitive acquisition of these instruments shall be subject to a presence condition of the beneficiaries within the Company or its subsidiaries.
- Performance conditions: the definitive acquisition of the shares granted to the executive officers as well as to some middle managers of the Company and its subsidiaries shall be subject to performance conditions set by the Board of Directors. It is expected that the performance conditions will be measured over a period of at least two years from their allocation. Once more, the business of the Company making it hard to assess its performance in the medium term or on the long run from a merely financial perspective, as is the case for other companies, and to assess the individual performance of each beneficiary, the determination of the performance criteria for the definitive acquisition of these actions is expected to follow the same principles as those used for the shares subscription/purchase options.

Lastly, Resolution n°25 is a common resolution intended to authorize the Board of Directors to implement capital increases for the benefit of the employees who are part of a company savings plan; it being specified that the Board of Directors recommends to vote against this resolution as employees already benefit from the free share plans put in place in 2016 and 2017 and could benefit from a new plan if resolution n°24 is approved and implemented.

As of the day of the present Report, the securities giving access to the share capital of the Company held by the employees, the executive officers and some members of the Board of Directors and consultants of the Company could entitle their holders to the subscription of 470,254 new shares, representing about 1.49% of the share capital on a fully diluted basis.

A favourable vote on the resolutions n°22 to 25 proposed to the Shareholders' Meeting of June 15, 2018 would, for its part, authorize the subscription of 450,000 new shares, in the same proportions as the delegations granted by the Shareholders' Meeting of June 16, 2017, representing about 1.44% of the current share capital and 1.42% on a fully diluted basis.

If, as recommended by the Board of Directors, only the resolutions n° 22 to 24 submitted to the Shareholders' Meeting of June 15, 2018 were approved, a maximum of 400,000 new shares could be subscribed, representing 1.28% of the current capital and a maximum dilution of 1.27% on a fully diluted basis.

Assuming that both the totality of the current instruments and the totality of the new instruments covered by the four resolutions n ° 22 to 25 (within the limits of the ceilings provided for by these resolutions) were attributed and exercised, the total dilution would be increased to approximately 2.87% on a fully diluted basis.

Assuming that both the totality of the current instruments and the entirety of the new instruments referred to by the three resolutions n ° 22 to 24 (within the limits of the ceilings provided for by these resolutions) were attributed and exercised, the dilution total maximum would be raised to approximately 2.72% on a fully diluted basis.

In any case, these percentages are well within the low range of those in listed biotechnology companies of comparable size.

a. Delegation of authority to the Board of Directors for the purpose of issuing autonomous share subscription warrants reserved for the members of the Board of Directors and the consultants of the Company (Resolution n°22)

The Board of Directors wishes to be able to continue to motivate, recruit and retain the individuals, or as necessary, legal entities who are independent members of the Board of Directors and certain consultants of the Company. As such, the Company wishes to continue with the granting of autonomous share subscription warrants for the benefit of this category of persons.

It is therefore proposed, in resolution n°22, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-129 to L. 225-129-6, L. 225-138 and L. 228-91 *et seq.* of the French Commercial Code:

1. Delegates its authority to the Board of Directors for the purpose of deciding to increase the share capital, either once in full or in a number of instalments, in the proportions and at the times it shall determine, through the issuance of share subscription warrants (*bons de souscription d'actions*, or "BSA"), it being specified that the Board of Directors may delegate to the CEO or, with the CEO's approval, to one or more Deputy CEOs, under the conditions set forth by law, all the necessary powers to decide on the share capital increase;

2. Decides that the nominal amount of the share capital increases that could potentially be carried out pursuant to this delegation would not exceed a maximum nominal amount of EUR 12,500 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 50,000 shares), it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital;

3. Decides to suppress the preferential subscription right of shareholders to the BSA referred to in this resolution and to reserve the right to assign such rights to any natural person or legal entity that is a member of the Board of Directors (including after the resolutions presented to this shareholders' Meeting have been adopted) or a consultant of the Company able to prove an existing contractual relationship with the Company as of the date of use of this delegation by the Board of Directors;

4. Acknowledges that, for the benefit of holders of the BSA issued pursuant to this resolution and giving access to the share capital of the Company, this delegation of authority automatically implies shareholders' renunciation of their preferential subscription right to shares that these BSA grant rights over;

5. Decides that the Board of Directors would determine the precise list of beneficiaries within the category of beneficiaries previously mentioned for whose benefit the preferential subscription right was suppressed and will determine the characteristics, amounts and terms and conditions of any issuance, as well as the terms and conditions for paying up the issued shares, being specified that one share subscription warrant would give the right to subscribe to one Company's share. In particular, it would determine the number of the BSA to be issued for the benefit of each beneficiary and will set, taking into account the guidelines included in its report, the subscription price and the exercise price of such BSA, their dividend entitlement date (*date de jouissance*), it being specified that the amount paid or that should be paid to the Company for each share issued within the context of

this delegation, would be at least equal to the volume-weighted average trading prices of the share noted during a period of a minimum of five consecutive trading days to a maximum of thirty consecutive trading days among the last thirty trading days preceding the date upon which the issuance price is set, and potentially be discounted by a maximum amount of 5% at the time of allocation of the BSA, it being specified that the subscription price of the BSA shall be equal to 10% of the thus-determined exercise price of the BSA and that the amount thus disbursed at the moment of subscription shall be deducted from the amount due at the time of exercise;

6. Acknowledges that resolution n°22 would void, from the of the Shareholders' Meeting held on June 15, 2018, any prior delegation of authority having the same purpose, i.e., any delegation for the purpose of issuing autonomous BSA reserved for a specific category of persons. This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°18; and

9. Acknowledges that, in the event of the use by the Board of Directors of the delegation of authority granted by this resolution, the Board of Directors would report to the following Ordinary Shareholders' Meeting, in accordance with the law and regulations, regarding the use made of the delegation of authority granted by this resolution.

The delegation of authority thus granted to the Board of Directors would be valid for a term of 18 months as from the date of the Shareholders' Meeting held on June 15, 2018.

b. Authorization granted to the Board of Directors to allocate options to subscribe and/or purchase shares (Resolution n°23)

Your Company wishes to be able to continue to motivate, hire and retain the employees and executive officers of the Company and its subsidiaries. As such, the Company wishes to be able to grant options to subscribe and/or purchase shares. The exercise of the instruments granted to the executive officers of the Company, as well as to some of its middle managers and of middle managers of its subsidiaries, shall be subject to performance conditions, in compliance with the best governance practices, and like the conditions that led to the implementation of such plans in 2017.

In particular, the conditions of presence and performance associated with the benefit of these instruments are detailed in the notes to the Group's consolidated financial statements for the year ended December 31, 2017 included in the Registration Document registered on April 27, 2018 by AMF under number R.18-032 to which we refer you for further details.

It is therefore proposed, in resolution n°23, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-177 to L. 225-185 of the French Commercial Code:

1. Authorizes the Board of Directors to grant, on one or more occasions, subject to the abstention periods provided for by law, options granting entitlement to the subscription of new shares of the Company to be issued by means of a share capital increase or to the purchase of existing Company's shares resulting from buy-backs realized pursuant to applicable law, to the benefit of employees and executive officers of the Company or of the groups targeted in article L. 225-180 of the French Commercial Code, or of some of them, and thus approves the putting in place by the Board of Directors of one or more share subscription and/or purchase options plans within the framework set out below;

2. Decides that the options that may be granted pursuant to this authorization would not give rights, upon exercise, to the subscription or purchase of a total number of shares exceeding 275,000 shares, that is, a maximum share capital increase of EUR 68,750; it being specified that this cap: (i) does not take into account any adjustment that may be made in accordance with applicable legal and regulatory provisions and, as the case may be, with the contractual provisions providing for other adjustment cases to preserve the rights of the holders of securities or other rights giving access to the share capital; and (ii) shall be adjusted to account for all transactions lowering the nominal value of the shares or increasing the number of shares that could take place before the allocation of the options;

3. Decides that the time period for exercising the options shall not exceed 10 years from the date of grant;

4. Decides that the exercise price of the options granted pursuant to this delegation would be set on the day the options are allocated by the Board of Directors, it being specified that the exercise price of the options shall not be (i) lower than 80% of the average of the stock price during the twenty stock market trading days preceding the date upon which the options are granted regarding the options to subscribe for shares or to purchase shares; and, (ii) lower than 80% of the average purchase price of the shares held by the Company, pursuant to articles L. 225-208 and L. 225-209 of the French commercial Code;

5. Decides that the exercise price may be modified during the duration of the options only in case of implementation of the measures required to protect the interests of the beneficiaries of the options, pursuant to article L. 225-181 of the French Commercial Code;

6. Acknowledges that, for the benefit of the beneficiaries of the options, the Shareholders' Meeting's decision automatically implies shareholders' renunciation of their preferential subscription rights to shares that shall be issued as the options to subscribe are exercised;

7. Decides to grant full powers to the Board of Directors, with the option to delegate and sub-delegate under the conditions set forth by law, notably:

- to determine the number of beneficiaries and the number of options granted to each of them;
- to set the conditions for the allocation of the options;
- to set, within the above-specified limits, the options exercise price and the time period during which the options may be exercised, and set the conditions under which they shall be adjusted, in the circumstances provided for by law;
- to set the exercise conditions and notably the performance conditions to which the exercise of the options allocated to the executive officers of the Company and to some of the managing directors of the company and of its subsidiaries shall be subject to;
- to impose, as the case may be, a time period during which the options shall not be exercised and/or a time period during which the acquired shares may not be transferred;
- to temporarily suspend the exercise of the options in given circumstances;
- when determining the features of each plan, to take into account legal requirements, notably tax ones, applicable depending on the jurisdiction where the beneficiaries are located, notably, as far as the United States are concerned, article 422 of the Federal Tax Code;
- on its sole initiative, charge the capital increase expenses against the amount of the premium relating to these issuances and to deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital after each increase; and
- to record the completion of the increase(s) in the share capital resulting from the exercise of the options, complete any acts and formalities in order to finalize the increase(s) in share capital realized pursuant to this authorization, amend the bylaws accordingly and more generally take all decisions required in the context of this authorization, grant all delegations, and do all that is needed.

The Board of Directors would notify the shareholders each year during the Shareholders' Meeting, under the conditions set forth by law, of the transactions carried out in pursuant to this resolution.

The Shareholders' Meeting would take note of the fact that resolution n°23 cancels with effect from the date of the Meeting of June 15, 2018, any previous delegation having the same purpose, that is to say any previous delegation of authority relating to share subscription and / or purchase options. It would therefore cancel the authorization granted by the Shareholders' Meeting of June 16, 2017 under Resolution n°19.

This authorization would be granted for a period of 38 months from the date of the Shareholders' Meeting held on June 15, 2018.

c. Authorization granted to the Board of Directors to allocate existing or new free shares (Resolution n°24)

Your Company wishes to be able to continue to motivate, hire and retain the employees and executive officers of the Company and its subsidiaries. The Company also wishes to continue to grant existing or new free shares to employees and/or executive officers. In compliance with the best governance practices, the definitive acquisition of the shares granted to the executive officers of the Company, as well as to some of its middle managers and of middle managers of its subsidiaries, or all of its employees, shall be subject to performance conditions, and like the conditions that led to the implementation of such plans in 2017.

In particular, the conditions of presence and performance associated with the benefit of these instruments are detailed in the notes to the Group's consolidated financial statements for the year ended December 31, 2017 included in the Registration Document registered on April 27, 2018 by the Company. AMF under number R.18-032 to which we refer you for further details.

It is therefore proposed, in resolution n°24, that the Shareholders' Meeting, pursuant to the provisions of articles L. 225-197-1 et seq. of the French Commercial Code, authorizes the Board of Directors to proceed with the free allocation of 75,000 common shares, existing or to be issued, with a nominal value of EUR 0.25 each (the "**Free Shares**"), for the benefit of the employees and the executive officers of the Company and its consolidated subsidiaries as at 31 December 2017 eligible under the above mentioned texts, or for the benefit of some of them.

This authorization could be used within 38 months from the date of this Shareholders' Meeting.

(1) Share capital increase

The allotment of the totality of the Free Shares, in the case of new shares, will result in a capital increase of EUR 18,750, authorized by the Shareholders' Meeting of June 15, 2018, it being specified that this amount does not take into account any adjustments that may potentially be carried out in accordance with applicable legal and regulatory provisions and, as the case may be, with contractual stipulations providing for other cases of adjustment, in order to preserve the rights of holders of securities or other rights giving access to the share capital.

The capital increase that would result from the creation of the Free Shares would be implemented by way of special incorporation of all or part of the reserve accounts available and, in particular, of the "premium account". The Shareholders' Meeting would acknowledge that this decision implies shareholders' renunciation of their rights, for the benefit of holders of Free Shares, to the said reserves.

(2) Allocation and retention periods

The Board of Directors would determine, for each allocation, a vesting period of at least one year after which the allocation of existing or new shares will become definitive, followed, if deemed useful or necessary by the Board of Directors, by a retention period of a duration it would determine and which shall run from the definitive acquisition of the existing or new shares; it being specified that the cumulated duration of the vesting period and, as the case may be, of the retention period, shall be of at least three years.

The definitive acquisition of the Free Shares would have to be subject to the condition of the beneficiary's presence in the Company or its consolidated subsidiaries as employee and/or executive officer and, as the case may be, to the fulfilment of performance conditions that the Board of Directors may determine upon allocation, as is specified below.

However, in the event of disability of the beneficiary corresponding to the classification in the second or third categories provided for in article 341-4 of the French Social Security Code (or its equivalent in foreign law), the Free Shares would be definitively allocated before the end of the remaining vesting period, said shares being then freely transferable.

(3) Delegation of powers to the Board of Directors

The Shareholders' Meeting of June 15, 2018, would grant full powers to the Board of Directors, with the option to sub-delegate under the conditions set forth by law, to implement the allocation of Free Shares, including:

- to determine the eligibility of the employees of the Company or of its subsidiaries, as referred to in the first paragraph, eligible for such allocation;
- to determine the identity of the beneficiaries and the number of Free Shares granted to each of them;
- to determine, in particular for the executive officers and certain managing directors of the Company and its subsidiaries, as the case may be, the performance conditions subject to which the Free Shares will be definitively acquired;
- to establish the rules for the allocation plan of the Free Shares;
- to set, in accordance with the conditions and limits set forth by applicable legal provisions, the dates on which the Free Shares will be allocated;
- to take all necessary measures in order to reserve the rights of the holders of Free Shares pursuant to any legal or regulatory provision;
- to acknowledge the completion of the capital increase resulting from such allocation after the allocation period or, if applicable, as a result of the exercise of all other conditions subordinating the definitive allocation of Free Shares;
- to set the dividend entitlement date (*date de jouissance*), even retroactively, of the Free Shares to be issued; and
- to take any action required by the implementation of this authorization, in accordance with the legislation currently in force.

The Shareholders' Meeting would take note of the fact that resolution n°24 cancels with effect from the date of the Meeting of June 15, 2018, any previous delegation having the same purpose, that is to say any previous delegation of authority relating to allocation of free shares. It would therefore cancel the authorization granted by the Shareholders' Meeting of June 16, 2017 under Resolution n°20.

d. Delegation of authority granted to the Board of Directors for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company for the benefit of the members of a company savings plan (Resolution n°25)

You are reminded that, pursuant to the provisions of article L.225-129-6 of the French Commercial Code, it is mandatory to submit to a shareholders' meeting called to vote on resolutions contemplating a share capital increase a resolution for the realization of a share capital increase under the conditions set forth at articles L.3332-18 *et seq.* of the French Labour Code and of article L.225-138-1 of the French Commercial Code, that is in the context of a company employees savings plan.

You have been asked to vote on various resolutions to authorize increases in the share capital.

Accordingly, subject to these authorizations to be void, it is proposed under resolution n°25, that the Shareholders' Meeting, in the context of the provisions of articles L. 3332-18 *et seq.* of the French Labour Code and of article L. 225-138-1 of the French Commercial Code, and pursuant to the provisions of article L. 225-129-6 of that same Code:

1. Delegates all powers to the Board of Directors for the purpose of increasing the Company's share capital, either once in full or in a number of instalments, in the proportions and at the times it shall determine, by a maximum nominal amount of EUR 12,500 (or, on the basis of the current nominal value of the Company's shares, equal to EUR 0.25, a maximum amount of 50,000 shares), through the issuance of shares or other securities giving access to the share capital, reserved to members of a company savings plan of the Company and of French or foreign companies that are related to the Company under the conditions set forth in article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code;

2. Decides that the Board of Directors will set the subscription price of the new shares, that will be equal to 80% of the average of the first listed prices of the Company's share on the Euronext Paris stock exchange during the twenty stock market trading days preceding the date of the decision setting the opening date for subscription when the duration of the lock-up period stipulated by the savings plan pursuant to articles L. 3332-25 *et seq.* of the French Labor Code is less than 10 years, and to

70% of this average when said lock-up period is greater than or equal to 10 years. Nevertheless, the Shareholders' Meeting would expressly authorize the Board of Directors, if it thinks it appropriate, to reduce or cancel the above-mentioned discounts, within legal and regulatory limits, in order to take into account, among others, the applicable legal, accounting, tax and social security considerations in the countries where the members of a company savings plan benefiting from the capital increase reside;

3. The Board of Directors will also have the power to substitute all or part of the discount with an allocation of free shares or other securities giving access to the Company's share capital, either existing or to be issued, it being specified that the total benefit resulting from the allocation and, as applicable, the discount mentioned above, may not exceed the total benefit that members of the savings plan would have received if that shortfall had been 20% or 30% when the lock-up period stipulated by the plan pursuant to articles L. 3332-25 *et seq.* of the French Labor Code is greater than or equal to 10 years;

4. Decides, pursuant to article L. 3332-21 of the French Labor Code, that the Board of Directors may also provide for the allocation, free of charge, of new or existing shares or other new or existing securities giving access to the Company's share capital, as an employer matching contribution, provided that their equivalent monetary value, valued at the subscription price, will not have the effect of exceeding the limits provided for in articles L. 3332-10 *et seq.* of the French Labor Code;

5. Decides to suppress, in favor of members of a company savings plan, the shareholders' preferential subscription rights to the new shares to be issued or to other securities giving access to the share capital, and to the securities to which such securities issued pursuant to this resolution give access to;

6. Decides that the characteristics of the other securities giving access to the share capital will be decided by the Board of Directors, under the conditions set forth by applicable regulations;

7. Decides that the Board of Directors shall have all powers, with the power to delegate or sub-delegate pursuant to applicable legal and regulatory provisions, to implement this resolution and, in particular, with respect to determining the terms and conditions of the transactions and deciding on the dates and terms of the issuances to be carried out pursuant to this delegation, setting the opening and closing dates of the subscription periods, the dividend entitlement dates (*dates de jouissance*) of the issued securities, determining the terms and conditions for paying up the shares and other securities giving access to the Company's share capital, determining the timeframe for such paying up of shares and, as applicable, of the securities giving access to the Company's share capital, requesting the created securities' admission to trading on the stock market wherever appropriate, announcing the completion of the share capital increases in the amount of the shares that will actually be subscribed, completing, directly or through an agent, any transactions and formalities in connection with share capital increases and, at its sole discretion and if it sees fit, deducting the costs of the share capital increases from the amount of premiums associated with those increases and withholding from that amount the sums necessary to increase the legal reserve to one-tenth of the new share capital after each share capital increase.

The Shareholders' Meeting would take note of the fact that resolution n°25 cancels with effect from the date of the Meeting of June 15, 2018, any previous delegation having the same purpose, that is to say any previous delegation of authority relating to the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company for the benefit of the members of a company savings plan. It would therefore cancel the authorization granted by the Shareholders' Meeting of June 16, 2017 under Resolution n°21.

The delegation thus granted to the Board of Directors is valid for a term of 26 months as from the date of the Shareholders' Meeting held on June 15, 2018.

We specify that the Board of Directors recommends to vote against this resolution insofar as employees already benefit from the free share plans put in place in 2016 and 2017 and that they could benefit from a new plan if Resolution No. 22 is approved and implemented.

3. Cancellation of shares under the share repurchase programme (Resolution n°26)

It is proposed, in resolution n°26, that the Shareholders' Meeting of June 15, 2018, subject to the adoption of the authorization allowing the Company to repurchase its own shares as detailed in resolution n°5 above, authorizes the Board of Directors, pursuant to the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, to cancel, in the proportions and at the times it shall determine, once in full or in several instalments, all or part of the Company's shares that the Company holds pursuant to the authorization granted by the Shareholders' Meeting to repurchase the Company's shares, and to reduce the share capital by the overall nominal amount of the shares thus cancelled, within the limit of 10% of the share capital over a period of 24 months; it being reminded that this 10% limit applies to the Company's share capital, which may, if applicable, be adjusted according to transactions affecting the share capital that may occur subsequent to the Shareholders' Meeting of June 15, 2018.

The Shareholders' Meeting of June 15, 2018 would grant full power to the Board of Directors, with the power to sub-delegate under the conditions set forth by law, for the purpose of proceeding with said capital reduction, acknowledging its successful completion, adding the difference between the cancelled share repurchase price and their par value to all items relating to reserves or premiums, carrying out the corresponding amendments to the by-laws, as well as making any declarations to the *Autorité des Marchés Financiers*, complete any other formalities and, generally speaking, take any necessary action.

This authorization would be granted for a term of 18 months as from the date of the Shareholders' Meeting held on June 15, 2018. It would void, as from the day of the Shareholders' Meeting held on June 15, 2018, any prior delegation of authority granted to the Board of Directors, having the same purpose, i.e., any delegation relating to the reducing of the share capital by cancellation of treasury shares. This delegation would therefore void the delegation granted by the Shareholders' Meeting held on June 16, 2017 pursuant to its resolution n°22.

III. POWERS TO COMPLETE FORMALITIES

It is proposed, in resolution n°27, that the Shareholders' Meeting of June 15, 2018 grants full powers to the holder of an original, a copy, or an excerpt of the minutes of the Shareholders' Meeting of June 15, 2018 for the purpose of completing legal formalities

* * *

Should you approve these various proposals, please confirm with your vote by adopting these resolutions which shall be read to you and have been kept available at the registered office during fifteen days preceding the Shareholders' Meeting of June 15, 2018, in accordance with law.

The Chairman of the Board of Directors

SCHEDULE I

USE OF AUTHORISATIONS GRANTED BY THE COMBINED SHAREHOLDERS' MEETING OF JUNE 16, 2017

	Validity	Maximum nominal amount (in Euros)	Date and conditions of use by the Board of Directors		Aggregate maximum nominal amount (in Euros)
					€1,850,000
9 th resolution: Authorization to issue ordinary shares and/or securities granting access to the Company's share capital via a public offer subject to shareholders' preferential subscription rights.	26 months	€ 1,850,000 (7,400,000 shares)			
10 th resolution: Authorization to issue ordinary shares and/or securities granting immediate or future access to the Company's share capital via a public offer without shareholders' preferential subscription rights.	26 months	€ 1,850,000 (7,400,000 shares)		At least equal to the weighted average of the price of the share during the last three stock market trading days preceding the day on which the issuance price is set, minus, as the case may be, a maximum discount of 5% of this amount ⁽¹⁾	
11 th resolution: Authorization to issue ordinary shares and/or any securities granting access to the Company's share capital, in an amount not to exceed 20% of the share capital per year, in the context of an offer such as that discussed in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (private placement), without shareholders' preferential subscription rights.	26 months	€ 1,850,000 (7,400,000 shares) (capped at 20% of the share capital per year)	Issuance of 6,081,081 OCEANES with a nominal amount of €179,999,997.60 convertible into 6,081,081 shares.	At least equal to the weighted average of the price of the share during the last three stock market trading days preceding the day on which the issuance price is set, minus, as the case may be, a maximum discount of 5% of this amount ⁽¹⁾	
13 th resolution: Authorization to issue ordinary shares and/or securities granting access to share capital to French or foreign industrial or commercial companies in the pharmaceutical / biotech sector or mutual funds investing in the pharmaceutical / biotech sector and likely to invest in the context of a private placement, as well as French or foreign investment service providers who could underwrite such a transaction.	18 months	€ 1,850,000 (7,400,000 shares)		At least equal to the volume-weighted average (in the central order book and excluding off-market block trades) of the closing prices of the share selected from a period comprising between five and thirty consecutive sessions among the last thirty trading days preceding the date upon which the issuance price is set, it being specified that this average could be adjusted, if necessary, to account for the different dividend entitlement date (date de jouissance) and potentially be discounted by a maximum amount of 15%	

	Validity	Maximum nominal amount (in Euros)	Date and conditions of use by the Board of Directors		Aggregate maximum nominal amount (in Euros)
14 th resolution: Authorization to increase the number of securities to be issued in the event of a share capital increase with or without shareholders' preferential subscription rights in reliance on the 9 th , 10 th , 11 th and 13 th resolutions.	26 months	15% of the initial issuance			
15 th resolution: Authorization to issue ordinary shares and/or any securities granting access to the Company's share capital, for the purpose of compensating contributions in kind comprised of shares or equity securities granting access to the share capital, without shareholders' preferential subscription rights.	26 months	Up to 10% of the share capital			
16 th resolution: Authorization to issue ordinary shares and/or any securities granting access to the Company's share capital, in the event that the Company launches a public exchange offer.	26 months	€ 1,850,000 (7,400,000 shares)			
18 th resolution: Authorization to issue independent share warrants (BSA) reserved for non-executive corporate officers and consultants of the Company.	18 months	€ 12,500 (50,000 shares)	On November 21, 2017, the Board of Directors granted 36,690 BSA with an exercise price of €19.97	The amount paid or that should be paid to the Company for each share issued within the context of this delegation, will be at least equal to the volume-weighted average of the closing prices of the share noted during a period of a minimum of five consecutive trading days to a maximum of thirty consecutive trading days among the last thirty trading days preceding the date upon which the issuance price is set, and potentially be discounted by a maximum amount of 5% at the time of allocation of the BSA, it being specified that the subscription price of the BSA shall be equal to 10% of the thus-determined exercise price of the BSA and that the amount thus disbursed at the moment of subscription shall be deducted from the amount due at the time of	N/A

	Validity	Maximum nominal amount (in Euros)	Date and conditions of use by the Board of Directors		Aggregate maximum nominal amount (in Euros)
				exercise.	
19 th resolution: authorization granted to the Executive Board to grant options to subscribe and/or purchase shares to the benefit of employees and executive officers of the Company or Group	38 months	€ 68,750 (275,000 shares)	On December 6, 2017, the Board of Directors granted 96,250 stock options to subscribe 96,250 shares to employees and corporate officers, with an exercise price of €17.91 and 13,000 stock options to employees in the United States, with an exercise price €22.54	The exercise price of the options shall not be (i) lower than 80% of the average of the stock price during the twenty stock market trading days preceding the date upon which the options are granted regarding the options to subscribe for shares or to purchase shares; and, (ii) lower than 80% of the average purchase price of the shares held by the Company but solely for the options to purchase shares, pursuant to articles L.225-208 and L. 225-209 of the French commercial Code	N/A
20 th resolution: Authorization granted to the Executive Board to allocate existing or new free shares	38 months	€ 18,750 (75,000 shares)	On December 6, 2017, the Board of Directors granted 42,118 free shares to employees and corporate officers		
22 nd resolution: Authorization to reduce the share capital by cancelling own shares.	24 months	Not to exceed 10% of the share capital per 24-month period.			
23 rd resolution: Authorization to allow the Company to repurchase its own shares, not to exceed 10% of its share capital.	18 months	€ 500,000 Per share: € 125	Implemented pursuant to a liquidity agreement. Please refer to section <u>21.1.2 – “Company Share Repurchase Program”</u> of the 2017 Registration Document registered on April 27, 2018 by the AMF under n° R.18-032.		

⁽¹⁾ Within the limit of 10% of the share capital per year at the time of issuance, the Board of Directors is authorized to set the price of the shares issued pursuant to the 10th and 11th resolutions at a price that is at least equal to the volume-weighted average (in the central order book excluding off-market block trades) of the closing prices of the Company's share chosen in a period including between five and thirty stock market trading days in a row among the last thirty stock market trading days preceding the date upon which the issuance price is set and potentially be discounted by a maximum amount of 15%.

SCHEDULE II

REPORT OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE DATED APRIL 10, 2018 TO THE BOARD OF DIRECTORS AND THE SHAREHOLDERS' MEETING

To the members of the Board of Directors and of the Shareholders' General Meeting

We present below our opinions and recommendations, adopted at our meeting on April 10, 2018 devoted to the preparation of the General Meeting of Shareholders to meet on June 15, 2018, as follows:

1. Directors' fees for the period beginning on the date of the General Meeting approving the financial statements for the year ended December 31, 2017 and until the Shareholders' Meeting called to approve the financial statements of the Company for the year ended December 31, 2018;

2. Proposed delegation of authority to the Board of Directors with a view to setting up equity incentive plans that can benefit the Company's directors and officers.;

[...]

1. Directors' fees for the period beginning on the date of the General Meeting approving the financial statements for the year ended December 31, 2017 and until the Shareholders' Meeting called to approve the financial statements of the Company for the year ended December 31, 2018

We inform the Board of Directors and the Shareholders' Meeting that the Nomination and Compensation Committee voted unanimously in favor of the following recommendations:

We recommend that the Board of Directors propose, and the Shareholders' Meeting called to meet on June 15, 2018, to adopt, draft resolution No. 8, which has been presented to it setting the amount of the envelope of attendance fees for the period beginning on the date of the Shareholders' Meeting approving the financial statements for the year ended December 31, 2017 and until the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2018, of €225,000 to be divided among the independent members who are individuals not representing a legal entity of the Board of Directors.

2. Proposed delegation of authority to the Board of Directors with a view to setting up equity incentive plans that can benefit the Company's directors and officers

We inform the Board of Directors and the Shareholders' Meeting that the Nomination and Compensation Committee voted, unanimously, of its members participating in the vote (the Chairman and Chief Executive Officer did not participate, as such resolutions concerning him) in favor of the following recommendations:

We recommend that the Board of Directors propose, and the Shareholders' Meeting called to meet on June 15, 2018 adopt, the draft resolutions n ° 22, 23 and 24 presented to it.

In addition, and in accordance with the proposal of the General Management of the Company, we recommend that the Board of Directors propose, and the Shareholders' Meeting called to meet on June 15, 2018 reject, the draft resolution n ° 24 which has been presented to it (delegation of powers to issue ordinary shares and / or securities for the benefit of members of a company savings plan).

[...]

A copy of the present report shall be addressed to the Board of Directors and the Shareholders' Meeting.

Loos, April 10, 2018

SCHEDULE III

REPORT OF THE NOMINATION AND COMPENSATION COMMITTEE OF APRIL 26, 2018 TO THE BOARD OF DIRECTORS AND THE SHAREHOLDERS' MEETING

To the attention of the members of the Board of Directors and the Shareholders' Meeting.

We present below our opinions and recommendations, adopted during our meeting on April 26, 2018 devoted to the preparation of the Shareholders' Meeting called to meet on June 15, 2018, regarding the following points:

1. Draft "Say on Pay" report of the Board of Directors to the Shareholders' Meeting contained in the draft 2017 Registration Document;

[...]

1. Draft "Say on Pay" report of the Board of Directors to the Shareholders' Meeting contained in the draft 2017 Registration Document

We inform the Board of Directors and the Shareholders' Meeting that the Nomination and Compensation Committee voted, unanimously (however, the Chairman and Chief Executive Officer did not participate) in favor of following recommendations:

We recommend that the Board of Directors, and the Shareholders' Meeting called to meet on June 15, 2018, approve the "Say on Pay" report as presented to it. Consequently, we invite the Shareholders' Meeting to adopt resolutions n°9 and n°10 which have been presented to it.

A copy of the present report shall be addressed to the Board of Directors and the Shareholders' Meeting.

Loos, April 26, 2018