

KPMG S.A.
Tour Egho - 2, avenue Gambetta – CS 60055
92066 Paris la Défense Cedex
France

DELOITTE & ASSOCIÉS
6, place de la Pyramide
92908 Paris la Défense Cedex
France

Carmila S.A.

Société Anonyme

58, avenue Emile Zola
92100 Boulogne Billancourt

Share capital: €819,370,170

Statutory auditors' report on the issue of ordinary shares and transferable securities with retention and/or cancellation of preferential subscription rights

Combined Shareholders' Meeting of 16 May 2019
Seventeenth, eighteenth, nineteenth, twentieth, twenty-first and twenty-third resolutions

This report contains 4 pages

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To the Carmila S.A. Shareholders' Meeting

This is a translation into English of the statutory auditors' report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

As statutory auditors of your company (hereinafter the "Company") and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de Commerce*), we hereby present our report on the proposed delegations of authority to the Board of Directors to issue shares and/or transferable securities, transactions that you are being asked to approve.

Based on its report, the Board of Directors asks that you:

- delegate to it, with the option of sub-delegation, for a period of twenty-six months as of this Shareholders' Meeting, the authority to decide the following transactions, set the definitive issue terms and conditions and, where necessary, cancel your preferential subscription rights:
 - issue, with retention of preferential subscription rights (seventeenth resolution), of ordinary shares of the Company and/or transferable securities governed by Articles L. 228-92 section 1, L. 228-93 sections 1 and 3, or L. 228-94 section 2 of the French Commercial Code, granting access, immediately or in the future, to the share capital of the Company or other companies;
 - issue by way of a public offering, with cancellation of preferential subscription rights (eighteenth resolution), of ordinary shares of the Company and/or transferable securities governed by Articles L. 228-92 section 1, L. 228-93 sections 1 and 3, or L. 228-94 section 2 of the French Commercial Code, granting access, immediately or in the future, to the share capital of the Company or other companies, it being specified that:
 - these securities may be issued in consideration of securities that would have been contributed to the Company as part of a public exchange offer on securities satisfying the conditions set forth in Article L. 225-148 of the French Commercial Code;
 - these securities may result from the issue, by companies in which the Company holds, directly or indirectly, more than half of the share capital or by companies that hold, directly or indirectly, more than half of its share capital, of transferable securities granting access to Company's share capital;

- issue, with cancellation of preferential subscription rights, by way of the offerings set out in paragraph II of Article 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) up to a maximum of 20% of the share capital per year (nineteenth resolution) of ordinary shares of the Company and/or transferable securities governed by Articles L. 228-92 section 1, L. 228-93 sections 1 and 3, or L. 228-94 section 2 of the French Commercial Code, granting access, immediately or in the future, to shares of the Company or other companies, it being specified that these securities may result from the issue, by companies in which the Company holds, directly or indirectly, more than half of the share capital or by companies that hold, directly or indirectly, more than half of its share capital, of transferable securities granting access to Company's share capital;
- authorise it, with the option of sub-delegation, for a period of twenty-six months as of this Shareholders' Meeting, to issue ordinary shares of the Company and/or transferable securities governed by Articles L. 228-92 section 1, L. 228-93 sections 1 and 3, or L. 228-94 section 2 of the French Commercial Code, granting access, immediately or in the future, to the share capital of the Company or other companies, in consideration for in-kind contributions transferred to the Company and comprised of equity securities or transferable securities granting access to the share capital (twentieth resolution) up to a maximum of 10% of the share capital;
- authorise it, by virtue of the twenty-first resolution and pursuant to implementation of the delegations granted by the eighteenth and/or nineteenth resolutions, to set the issue price within the annual legal limit of 10% of the share capital.

The overall par value amount of share capital increases that may be carried out, immediately or in the future, pursuant to the seventeenth, eighteenth, nineteenth, twentieth, twenty-third and twenty-fourth resolutions, may not, according to the seventeenth resolution, exceed €700 million, it being specified that the total par value amount of share capital increases that may be carried out immediately or in the future, may not exceed:

- €500 million under the seventeenth resolution,
- €165 million under the eighteenth and nineteenth resolutions, this amount also being an individual limit for each of these resolutions, and
- €85 million under the twentieth resolution.

The par value of the debt securities likely to be issued may not exceed:

- €2 billion for the seventeenth resolution, and
- €1 billion for each of the eighteenth, nineteenth and twentieth resolutions.

These limits take into account the additional number of securities to be created by virtue of the delegations set forth in the seventeenth, eighteenth and nineteenth resolutions, under the terms and conditions stipulated in Article L. 225-135-1 of the French Commercial Code, should you adopt the twenty-third resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fair presentation of the quantified financial information extracted from the accounts, on the proposal to cancel preferential subscription rights and on certain other information concerning these transactions, as set out in this report.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in verifying the content of the Board of Directors' report on these transactions and the process for determining the issue price of the equity securities to be issued.

Subject to a subsequent review of the terms and conditions of the issues that may be decided, we have no comments to make on the methods used to determine the issue price of the equity securities to be issued, as set out in the Board of Directors' report, in respect of the eighteenth, nineteenth and twenty-first resolutions.

Moreover, as this report does not specify the methods used to determine the issue price of the equity securities to be issued pursuant to the seventeenth and twentieth resolutions, we cannot express an opinion on the selected items used to calculate this issue price.

As the definitive terms and conditions of the issues have not been set, we do not express an opinion thereon and, as such, on the proposed cancellation of preferential subscription rights on which you are asked to decide in the eighteenth and nineteenth resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, as required, when the Board of Directors makes use of these delegations, in the event of the issue of transferable securities that are equity securities granting access to other equity securities or entitlement to the grant of debt securities, the issue of transferable securities granting access to equity securities to be issued and the issue of ordinary shares with cancellation of preferential subscription rights.

Paris La Défense, 12 April 2019

The Statutory Auditors

French original signed by

KPMG S.A.

DELOITTE & ASSOCIÉS

Eric Ropert
Partner

Adrien Johner
Partner

Stephane Rimbeuf
Partner