

Carmila

French *Société anonyme* with share capital of 810,360,174 euros

Registered office: 58 avenue Emile Zola, 92100 Boulogne-Billancourt - France

Registered at the Nanterre Trade and Companies Registry under number 381 844 471

Notice of an Ordinary and Extraordinary General Meeting

The shareholders of Carmila (hereinafter the “**Company**”) are advised that an Ordinary and Extraordinary General Meeting will be held at **9h30 am on Wednesday, 16 May 2018** at the Company’s registered office at **Châteaufort City George V, 28 avenue George V – 75008 Paris**, to consider the following agenda:

Ordinary resolutions

1. Approval of the parent company financial statements for the financial year ended 31 December 2017;
2. Approval of the consolidated financial statements for the financial year ended 31 December 2017;
3. Allocation of income for the financial year ended 31 December 2017;
4. Option for the dividend to be paid in shares;
5. Approval of the agreements and commitments mentioned in Articles L. 225-38 et seq. of the French Commercial Code;
6. Appointment of Mrs Maria Garrido as a Director;
7. Approval of the fixed, variable and exceptional elements making up the total compensation and the benefits of any sort paid or allocated to the Chairman and Chief Executive Officer for his office in respect of the 2017 financial year for the period from his appointment to this position within the company following the merger of Carmila S.A.S. with the Company;
8. Approval of the principles and criteria for determining, apportioning and allocating the fixed, variable and exceptional elements making up the total compensation and the benefits of any sort that can be allocated to the Chairman and Chief Executive Officer for his office in respect of the 2018 financial year;
9. Authorisation to be given to the Board of Directors for the purpose of trading in the Company’s shares.

Extraordinary resolutions

10. Authorisation given to the Board of Directors for a period of thirty-eight (38) months for the purpose of effecting free allocations of preference shares to be issued by the Company, with the suppression of the shareholders’ preferential subscription rights;
11. Approval of the creation of a category of preference shares and the correlative amendment to the articles of association; and
12. Powers to carry out formalities.

Ordinary resolutions

First resolution (Approval of the parent company financial statements for the financial year ended 31 December 2017) - The Shareholders’ meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders’ meetings, having taken note of the parent company financial statements for the financial year ended 31 December 2017 and the reports of the Board of Directors and the statutory auditors, approves the parent company financial statements for the financial year ended 31 December 2017, including the balance sheet, the profit and loss account and the notes, as submitted to it, which show a profit of 21,443,464.17 euros, and all transactions reflected in those financial statements and summarised in those reports.

Second resolution (Approval of the consolidated financial statements for the financial year ended 31 December 2017) - The Shareholders’ meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders’ meetings, having taken note of the reports of the Board of Directors and the statutory auditors, approves the consolidated financial statements for the financial year ended 31 December 2017, as submitted to it, and all transactions reflected in those accounts and summarised in those reports.

Third resolution (Allocation of the profit for the financial year ended 31 December 2017) - The Shareholders’ meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders’ meetings, having taken note of the Board of Directors’ report, taking note of the approval of the previous resolutions and approving the Board of Directors’ proposal, decides to allocate the profit for the financial year ended 31 December 2017, which amounts to 21,443,464.17 euros, as follows:

Profit for the financial year:	21,443,464.17 euros
Allocation to the legal reserve:	-1,072,173.21 euros
Retained earnings at 31 December 2017:	12,774.60 euros
I.e. a distributable profit:	20,384,065.56 euros

The Shareholders’ meeting, on the proposal of the Board of Directors, decides to distribute a dividend of 0.75 euro per Company share before social charges, i.e. a total amount of 101,295,021.75 euros – calculated based on a number of 135,060,029 shares comprising the share capital at 31 December 2017, including 113,739 were treasury shares at that date, a number which may vary depending on any change in the number of shares giving entitlement to a dividend up to the ex-dividend date.

This amount will be deducted:

- in the amount of 20,384,065.56 euros, from the distributable profit; and
- in the amount of 80,910,956.19 euros, from the “*Merger premiums*” account, which will be reduced to 1,847,987,387.01 euros.

The deduction from the “*Merger premiums*” account may vary depending on the total final amount paid at the time of the ex-dividend date. The ex-dividend date will be 23 May 2018, and dividends will be paid from 14 June 2018. The share of the dividend that will be deducted from the income for the financial year, i.e. approximately 0.15 euro per Company share, relates to tax exempt profits in accordance with Article 208 C of the French General Tax Code (CGI), so that it constitutes, for shareholders who are natural persons with a tax residence in France, distributed income that is not eligible for the 40% rebate stipulated by Article 158 3 2° of the CGI. This amount is, in principle, subject to social charges at the overall rate of 17.2% and a single flat rate deduction of 12.8%, i.e. an overall deduction at source of 30%. Optionally, it will be recognised for 100% of its amount in the overall income taxable at the progressive rate of income tax, in which case the single flat rate deduction of 12.8% will be charged against the tax payable for the year during which it was effected, or returned in the event of an excess. In the absence of an option for the application of the progressive rate of income tax for movable assets, the single flat rate deduction taken in 2018 will be final.

For shareholders that are legal entities with a tax residence in France and subject to corporation tax, that share of the dividend is subject to corporation tax under common law conditions, with it being specified that the regime for parent companies stipulated in Article 216 of the CGI is excluded in accordance with Article 145 of that Code, to the extent that the dividend is deducted from the tax-exempt profits.

The share of the dividend deducted from the merger premium, i.e. approximately 0.60 euro per Company share, is, for the shareholders, in accordance with the provisions of Article 112, 1° of the CGI and in consideration of the amount of that premium having the nature of reserves within the meaning of those provisions, distributed income taxable under common law conditions since it does not relate to tax exempt profits in accordance with Article 208 C of the CGI.

Thus, for shareholders who are natural persons with a tax residence in France, the share of the dividend deducted from the premium constitutes distributed income eligible for the 40% rebate stipulated in Article 158 3 2° of the CGI and subject, apart from this, to the same regime as that described for the share of the dividend deducted from the profit for the financial year.

For shareholders that are legal entities with a tax residence in France and subject to corporation tax, the share of the dividend deducted from the merger premium is subject to corporation tax under common law conditions, unless the conditions to which the application of the regime for parent companies stipulated in Articles 145 and 216 of the CGI is subject are met to allow its exemption, subject, in this case, to the inclusion, by the shareholders in question, in their profits subject to corporation tax at the common law rate, of a share of the expenses and charges equal to 5% of the gross amount of the share of the distribution deducted from the merger premium.

As for non-resident shareholders, the distribution due to them will, in principle, be subject, according to the provisions of Articles 119 bis and 187 1 of the CGI, to a withholding tax paid at the rate of 30%, subject to the possibility, for each of the shareholders in question, of meeting the conditions governing an exemption from or a reduction in the rate of the applicable withholding tax in accordance, as applicable, with the provisions of Article 119 ter of the CGI (shareholders that are legal entities) or to the provisions of the tax agreement that is applicable to them.

If, when the dividend is payable, the Company were to hold some of its own shares, those shares would not benefit from the aforementioned distribution and the corresponding sums would be allocated to the “Retained earnings” account or, where applicable, would remain allocated to the “*Merger premiums*” account.

In accordance with the provisions of Article 243 bis of the CGI, the Shareholders’ meeting records that, in respect of the last three (3) financial years, the amounts of the dividends that were distributed were as follows:

Financial year ended	Number of shares	Amount distributed per share	Distribution Overall	Of which, distributed income eligible for the rebate mentioned in Article 158 3 2° of the CGI	Of which, income not eligible for the rebate
At 31/12/2016	4.316.678	€1,80	€7.776.792,23	6.442.516,05 € (i.e. approximately €1,49 per share)	1.334.276,18 € (i.e. approximately €0,31 per share)
At 31/12/2015	4.316.678	€1,52	€6.561.350,56	4.973.835,59 € (i.e. approximately €1,15 per share)	1.587.514,97 € (i.e. approximately €0,37 per share)
At 31/12/2014	2.656.418	€1,34	€3.559.600,12	€3.559.600,12	-

In addition, the Shareholders' meeting records that:

- on 18 May 2017, the Shareholders' meeting decided on an exceptional distribution of an overall amount of 338,562.41 euros, deducted from the "Issuance premiums" account, i.e. a sum of 0.08 euro per share, being considered as a reimbursement of a contribution, from a tax viewpoint, not constituting distributed income;
- on 27 November 2017, the Shareholders' meeting decided on an exceptional distribution of an overall amount of 101,295,021.75 euros, deducted from the "Merger premiums" account, i.e. a sum of 0.75 euro per share, and, from a tax viewpoint, deemed deducted from the share of the merger premium not representing contributions and classified as distributed income not relating to tax exempt profits in accordance with the tax regime for Real Estate Investment Trusts (SIIC), consequently giving entitlement to the 40% rebate mentioned in Article 158 3 2° of the CGI for natural persons eligible therefore.

Fourth resolution (Option for the dividend to be paid in shares) - The Shareholders' meeting, having taken note of the Board of Directors' report and noting that the share capital is fully paid up, decides to offer each shareholder the possibility of opting for the dividend relating to the shares owned by each of them to be paid in new Company shares.

Each shareholder may opt for full payment in cash or in shares for the dividend to be paid in accordance with the third resolution. The new shares to which this option relates will be issued at a unit price equal to 95% of the average of the opening prices quoted on the regulated Euronext Paris market on the twenty trading days preceding the day of this Shareholders' meeting, less the net amount of the dividend that is the subject of the third resolution and rounded up to the next euro cent.

All rights attached to the shares thus issued will be immediately effective and the shares will thus give entitlement to any distribution decided on from their date of issue and the shares will be fully equivalent to the other shares comprising the Company's capital. The shareholders may opt for the dividend to be paid in cash or in new shares between 23 May 2018 and 6 June 2018 inclusive, by sending their request to financial intermediaries authorised to pay said dividend or, for shareholders registered in the pure registered accounts held by the Company, to its agent, CACEIS Corporate Trust – 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Should a shareholder fail to exercise the option to receive payment of the dividend in shares by 6 June 2018 at the latest, the dividend will be paid solely in cash. For shareholders that have not opted for payment in shares, the dividend will be paid in cash on 14 June 2018 after the expiry of the option period. If the amount of the dividends for which the option is exercised does not correspond to a whole number of shares, the shareholder may obtain the nearest higher number of shares by paying, on the day that the option is exercised, the difference in cash, or receive the nearest lower number of shares, plus a balance in cash.

The Shareholders' meeting gives all powers to the Board of Directors, with the right to subdelegate to the Chairman of the Board of Directors under the conditions provided in law, for the purpose of ensuring the implementation of the payment of the dividend in new shares, by stating the terms and conditions of application and execution, recording the number of shares issued in accordance with this resolution and making any necessary amendments to the articles of association relating to the share capital and to the number of shares comprising the share capital and more generally doing everything that would be useful or necessary.

Fifth resolution – (Approval of the agreements and commitments mentioned in Articles L. 225-38 et seq. of the French Commercial Code) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' meetings, having taken note of the Statutory Auditors' special Report on the agreements and commitments mentioned in Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, approves all of the provisions of that report and also the new agreements that it contains, approved by the Board of Directors during the financial year ended 31 December 2017.

Sixth resolution – (Appointment of Mrs Maria Garrido as a Director) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' meetings, having taken note of the Board of Directors' report, decides to appoint Mrs Maria Garrido as a Director of the Company for a period of four (4) years which will end after the Shareholders' meeting called in 2022 to approve the financial statements for the financial year ending 31 December 2021.

Mrs Maria Garrido confirmed in advance her acceptance of said duties if they should be entrusted to her and that she meets all of the conditions required by law and the regulations in force.

Seventh resolution – (Approval of the fixed, variable and exceptional elements making up the total compensation and the benefits of any sort paid or allocated to the Chairman and Chief Executive Officer for his office in respect of the 2017 financial year for the period from his appointment to this position within the company following the merger of Carmila S.A.S. with the Company) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' meetings, having taken note of the Board of Directors' report and the report on corporate governance, approves, in accordance with Article L. 225-100, II of the French Commercial Code, the fixed, variable and exceptional elements making up the total compensation and other benefits of any sort paid or allocated to Mr Jacques Ehrmann, Chairman and Chief Executive Officer, for his office in respect of the period since his appointment to this position within the company following the merger of Carmila S.A.S. with the Company as stated in the report on corporate governance.

Eighth resolution – (Approval of the principles and criteria for determining, apportioning and allocating the fixed, variable and exceptional elements making up the total compensation and the benefits of any sort that can be allocated to the Chairman and Chief Executive Officer for his office in respect of the 2018 financial year) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders' meetings, having taken note of the Board of Directors' report and the report on corporate governance, in accordance with Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for determining, apportioning and allocating the fixed, variable and exceptional elements making up the total compensation and the other benefits of any sort that can be allocated to the Chairman and Chief Executive Officer for his office in respect of the 2018 financial year as stated in the report on corporate governance.

Ninth resolution – (Authorisation to be given to the Board of Directors for the purpose of trading in the Company’s shares) - The Shareholders’ meeting, deliberating pursuant to the quorum and majority conditions required for ordinary Shareholders’ meetings, having taken note of the Board of Directors’ report, authorises the Board of Directors, with the right to subdelegate under the conditions laid down in law, in accordance with the provisions of Article L. 225-209 et seq. of the French Commercial Code and in compliance with the conditions defined by Articles 241-1 et seq. of the General Regulation of the French financial markets authority (Autorité des marchés financiers – AMF), of European Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, of Delegated Regulation (EU) no. 2016/1052 of the European Commission of 8 March 2016 and the market practices accepted by the AMF, to purchase Company shares or have them purchased, in particular with a view to:

- implementing any Company stock option plan under the provisions of Articles L. 225-177 et seq. of the French Commercial Code or any similar plan; or
- granting or selling shares to employees under a Company profit-sharing scheme and/or the implementation of any employee savings plan under the conditions provided for in law, particularly Articles L. 3332-1 et seq. of the French Labour Code; or
- granting bonus shares under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code; or
- generally, honouring obligations relating to stock option plans or other allotments of shares to employees or corporate officers of the issuer or an associated company; or
- the delivery of shares upon exercise of rights attached to marketable securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or in any other way; or
- the cancellation of all or part of the shares thus bought back, provided that the Board of Directors has a valid authorization from the Shareholders’ meeting, acting in an extraordinary capacity, enabling it to reduce the share capital by cancelling shares purchased as part of a share-buyback programme; or
- management of the secondary market or the liquidity of the Company’s shares by an investment services provider, under a liquidity agreement in accordance with the Code of Ethics of the French financial markets authority recognised by the AMF, in accordance with the market practice permitted by the AMF.

This programme is also intended to allow the Company to trade for any other authorised purpose or purpose that might be authorised by the law or the regulations in force, including by any market practice accepted by the AMF subsequent to this Shareholders’ meeting, and more generally, to carry out of any other transaction in accordance with the regulations in force. In such an event, the Company will inform its shareholders by way of a press release.

The Company’s share purchases may relate to a number of shares such that, on the date of each buyback, the total number of shares purchased by the Company from the start of the buyback programme (including those that are the subject of the buyback) does not exceed 10% of the shares comprising the Company’s share capital, with this percentage being applied, where applicable, to a share capital adjusted in accordance with the transactions that may affect the share capital subsequent to this Shareholders’ meeting; it is specified that (i) when the Company’s shares are purchased to promote liquidity under the conditions defined by the AMF’s General Regulation, the number of shares taken into account for the calculation of the aforementioned 10% limit will correspond to the number of shares purchased, after deduction of the number of shares resold during the period in question, (ii) the number of shares acquired with a view to them being held and subsequently delivered in connection with a merger, spin-off or contribution cannot exceed 5% of the share capital and (iii) the number of shares that the Company shall hold, at any time whatsoever, may not exceed 10% of the shares comprising the Company’s share capital on the date in question.

Purchases, disposals, exchanges or transfers of shares may be carried out, on one or more occasions, within the limits authorised by the legal and regulatory provisions in force, and by any means, on regulated markets, multilateral trading facilities, through systematic internalisers or over the counter, including by block purchase or disposal (with no limit on the share of the buyback programme that can be carried out by this means), by tender offer to purchase, sell or exchange, or by the use of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, through systematic internalisers or over the counter or by the delivery of shares following the issuance of marketable securities giving access to the Company’s capital by conversion, exchange, redemption, the exercising of a warrant or in any other way, either directly or indirectly through an investment services provider. Subject to the legal and regulatory provisions in force, these transactions may occur at any time.

The maximum share purchase price, under the framework of this authorisation, shall be €50 (fifty euros) per share, or the equivalent value in any other currency on the same date. The overall amount allocated to the authorised share buyback programme above may not exceed €50,000,000 (fifty million euros).

In the event of a change in the par value of the share, a share capital increase through the capitalisation of reserves, an allocation of free shares, stock-split or reverse stock-split, distribution of reserves or any other assets, redemption of share capital, or any other transaction relating to the share capital or shareholders’ equity, the Shareholders’ meeting delegates to the Board of Directors the power to adjust the above-mentioned maximum share purchase price in order to take into account the impact of these transactions on the value of the share.

The Shareholders’ meeting grants all powers to the Board of Directors, with the right to subdelegate under the conditions provided in law, to decide and implement this authority, to specify, if necessary, its terms and define its conditions, to carry out the buyback programme and, in particular, to place any market order, enter into any agreement for keeping records of stock purchases and sales, to allocate and reallocate the shares acquired to the various objectives pursued under the applicable legal and regulatory provisions, to establish the procedures to ensure, if applicable, the preservation of the rights of holders of marketable securities giving access to

the share capital or other rights giving access to the share capital in accordance with the applicable legal and regulatory provisions, and, as applicable, any contractual provisions that provide for other cases of adjustment, to file all declarations with the AMF and any other applicable authority, to perform any formalities and, generally, to take any action that may be required.

The Shareholders' meeting decides that the Board of Directors may not use this authorisation or pursue the execution of its buyback programme in the event of a tender offer relating to the shares, stocks or marketable securities issued by the Company.

This authorisation cancels, from the date of this Shareholders' meeting, where applicable, the as yet unused part of any prior delegation granted to the Board of Directors for the purpose of trading in the Company's shares. It is granted for a period of eighteen months from the date of this Shareholders' meeting.

Extraordinary resolutions

Tenth resolution – (Authorisation given to the Board of Directors for a period of thirty-eight (38) months for the purpose of effecting free allocations of preference shares to be issued by the Company, with the suppression of the shareholders' preferential subscription rights) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for extraordinary Shareholders' meetings, having taken note of the Board of Directors' report and the Statutory Auditors' special Report, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code:

1. authorises, subject to the condition precedent that this Shareholders' meeting approves the eleventh resolution, the Board of Directors to effect, on one or more occasions, except for a tender offer period relating to the Company's shares, free allocations of preference shares to be issued by the Company, giving entitlement to conversion to ordinary Company shares issued or to be issued, to employees and corporate officers, or to some of them, of the Company and/ or of companies related to it within the meaning of Article L. 225-197-2 of the French Commercial Code, with it being specified that the rights attached to the preference shares will be set in the Company's articles of association;
2. decides that the total number of ordinary shares that could result from the conversion of the preference shares may not represent more than 127,000 ordinary shares, i.e. 0.09% of the Company's share capital, on the date of this Meeting, with this number not taking account of any adjustments made to preserve the rights of the holders of marketable securities giving access to the share capital, in accordance with the legal and regulatory provisions, and, where applicable, the applicable contractual stipulations;
3. decides that, subject to the provisions of Article L. 225-197-6 of the French Commercial Code, the Chief Executive Officer and the Deputy CEOs may benefit from the new preference shares allocated in accordance with this authorisation;
4. decides that the number of ordinary shares resulting from the conversion of the preference shares allocated to the Company's corporate officers, which will count towards the 0.09% limit mentioned in point 2 above, may not represent more than 0,04% of the Company's share capital on the date of the present Shareholders' meeting;
5. decides that the allocation of the preference shares to their beneficiaries shall become definitive after a vesting period of one (1) year, and that the beneficiaries must hold said preference shares for a period set by the Board of Directors, with it being specified that the holding period may not be less than two (2) years from the definitive allocation of said preference shares. The Board of Directors shall, nonetheless, have all powers to adapt the duration of each of these two periods for beneficiaries whose tax domicile is outside of France in order to comply with the local legal and regulatory provisions, in particular relating to tax, which would be applicable to the allocation, with it being specified that, in all circumstances, all beneficiaries will be subject to the same continued employment conditions and performance criteria, which shall be observed over a period of three (3) years;
6. decides that the Board of Directors shall determine the criteria and conditions for allocation of the preference shares, in particular the identity of the beneficiaries and the number of preference shares allocated to each beneficiary and shall effect the allocations;
7. notes that the Board of Directors must, for the corporate officers, set the quantity of the preference shares or, where applicable, of the ordinary shares resulting from the conversion of the preference shares that they will be obliged to hold in registered form until the cessation of their duties;
8. decides moreover that, in the event of the disability of the beneficiary corresponding to classification in the second or third of the categories stated in Article L. 341-4 of the French Social Security Code, the preference shares shall be allocated to him/her definitively before the expiry of the remaining portion of the vesting period;
9. notes that this authorisation automatically entails, to the benefit of the beneficiaries, waiver of the shareholders' preferential subscription right on the preference shares that would be issued in accordance with this resolution and on the ordinary shares that would be issued at the time of the conversion of the preference shares;
10. authorises the Board of Directors to determine the impacts on the beneficiaries' rights of the transactions amending the share capital or likely to affect the value of the shares allocated during the vesting periods and, consequently, to amend or adjust, if necessary, the number of shares allocated to preserve the beneficiaries' rights;
11. gives all powers to the Board of Directors, with the right to subdelegate under the conditions provided in law, to implement this authorisation and in particular to:
 - set the number of preference shares to be issued and their vesting date,
 - set, within the legal limits, the conditions for issuance of the preference shares,

- set the terms and conditions under which, where applicable, the preservation of the rights of holders of marketable securities giving access to the share capital will be ensured, in accordance with the legal and regulatory provisions and, where applicable, the applicable contractual stipulations,
 - record the effecting of the issuances of preference shares and to make the correlative amendments to the articles of association,
 - record the conversion of the preference shares into ordinary shares in accordance with the articles of association, to record, where applicable, the effecting of the share capital increase(s) and to make the correlative amendments to the articles of association,
 - determine if all or part of the ordinary shares resulting from the conversion of the preference shares are existing shares or shares to be issued,
 - carry out all transactions and formalities made necessary by the effecting of the share capital increase(s).
12. notes the fact that, should the Board of Directors make use of this delegation, it shall advise the ordinary Shareholders' meeting each year, under the legal and regulatory conditions, in particular Article L. 225-197-4 of the French Commercial Code, of the transactions carried out under this resolution;
13. sets the period of validity of the delegation that is the subject of this resolution at thirty-eight (38) months from this Shareholders' meeting.

Eleventh resolution – (Approval of the creation of a category of preference shares and the correlative amendment to the articles of Association) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for extraordinary Shareholders' meetings, having taken note of the Board of Directors' report and the Statutory Auditors' special Report, subject to the condition precedent of the tenth resolution being adopted by the Shareholders' meeting,

1. decides to amend Article 7 of the Company's articles of association as follows:

(previous wording)

The share capital is eight hundred and ten million, three hundred and sixty thousand, one hundred and seventy-four (810,360,174) euros divided into one hundred and thirty-five million, sixty thousand and twenty-nine (135,060,029) shares, each with a par value of six (6) euros.

(new wording)

The share capital is eight hundred and ten million, three hundred and sixty thousand, one hundred and seventy-four (810,360,174) euros divided into one hundred and thirty-five million, sixty thousand and twenty-nine (135,060,029) shares, each with a par value of six (6) euros. The shares are split into two categories:

- 135,060,029 category A shares the ("A Shares"), which are ordinary shares; and
- [•] category B shares the ("B Shares"), which are issued in accordance with Articles L. 228-11 et seq. of the French Commercial Code.

In these articles of association, the A Shares and the B Shares are defined jointly as the "shares", the holders of A Shares as the "A Shareholders", the holders of B Shares as the "B Shareholders", and the A Shareholders and the B Shareholders as the "shareholders".

2. decides to amend Article 8 of the Company's articles of association as follows:

(previous wording)

The shares are registered or bearer shares, at the shareholder's choice, under the conditions laid down by the legal provisions in force.

The Company may make use of the legislative and regulatory provisions provided for the identification of holders of securities conferring an immediate or future right to vote in its Shareholders' meetings and may apply the sanctions related to such securities.

Any natural person or legal entity, acting alone or in concert, that shall come to hold a number of shares representing a proportion of the share capital or the voting rights, equal to or greater than 1% of the share capital or the voting rights, or any multiple of that percentage, up to 30% of the share capital or the voting rights, must advise the company of the total number of shares and voting rights that said person owns, and also of the securities giving future access

(new wording)

The A Shares are registered or bearer shares, at the shareholder's choice, under the conditions laid down by the legal provisions in force. The fully paid up B Shares are registered shares.

(Unchanged)

(Unchanged)

to the share capital and the voting rights that are potentially attached thereto and the shares that said person or entity can acquire under an agreement or a financial instrument, by registered letter, with acknowledgement of receipt, within a period of five trading days of the threshold being crossed.

The obligation to inform the company also applies when the interest of the shareholder in the share capital or the voting rights falls below the thresholds mentioned in paragraph 3 of this Article

(Unchanged)

Subject to the foregoing, the obligation to report the crossing of thresholds under the articles of association is governed by the same obligations provided for under applicable law and regulations, including legal or regulatory provisions with respect to assimilation with previously owned shares.

(Unchanged)

Upon the request, recorded in the minutes of the Shareholders' meeting, of one or several shareholders holding at least 5% of the capital or voting rights of the company, the sanctions provided for by law in the event of failure to declare the crossing of legal thresholds will also apply in the event of a failure to declare the crossing of thresholds provided for by these articles of association.

(Unchanged)

3. decides to amend Article 10 of the Company's articles of association as follows:

(previous wording)

(new wording)

1. Each share gives entitlement, as far as ownership of the company assets is concerned and in the sharing of the profits and in the liquidation surplus, to a share proportional to the number of shares in existence.

I° COMMON RIGHTS ATTACHED TO THE SHARES

Each A Share gives entitlement, in the sharing of the profits to a share proportional to the number of A shares in existence. B shares do not benefit from the dividend.

Both type of shares gives entitlement in the liquidation surplus to a share proportional to the number of shares in existence.

2. Each time that it is necessary to own a certain number of shares to exercise a right, it is up to the owners that do not own that number to take personal responsibility for obtaining the required number of securities or a multiple thereof, and the provisions of Article L. 228-6-1 of the French Commercial Code shall apply to fractional rights.

(Unchanged)

3. The voting right attached to shares of the capital is proportional to the share of the capital that they represent with an equal par value. Each share entitles its holder to one (1) vote, notwithstanding any non-mandatory legal or regulatory provision to the contrary (including the double voting right provided for by Article L. 225-123 of the French Commercial Code).

II° RIGHTS SPECIFIC TO A SHARES

Each A Share entitles its holder to one (1) vote, notwithstanding any non-mandatory legal or regulatory provision to the contrary (including the double voting right provided for by Article L. 225-123 of the French Commercial Code).

The B Shares do not have the benefit of any voting rights.

III° RIGHTS AND RESTRICTIONS SPECIFIC TO B SHARES

1. The preference shares and the rights of their holders are governed by the applicable provisions of the French Commercial Code, and in particular its Articles L. 228-11 et seq.

2. At the end of the holding period for the B Shares, as set in the plan for allocating free B Shares deciding on their allocation (the "**Holding Period**") (the "**Expiry Date of the Holding Period**"), the B Shares will be automatically converted into A Shares, under the conditions laid down in paragraphs 3 to 5, with it being specified that, as far as the corporate officers of the Company are concerned, the Board of

Directors will have the right to postpone the conversion date to the date of termination of their duties as corporate officers within the Company.

3. Each B Share will give entitlement to a maximum number of one (1) A Share, subject to the performance conditions detailed below (the “**Performance Conditions**”) being met. The number of A Shares that may result from the conversion of B Shares will be calculated by the Board of Directors on the day of the Expiry Date of the Holding Period in accordance with the extent of fulfilment of the Performance Conditions (the “**Conversion Ratio**”), with it being specified that if the extent of fulfilment of the Performance Conditions exceeds 100%, the Conversion Ratio will be one (1) A Share for one (1) B Share.

4. The Performance Conditions are as follows:

• **Condition 1: Change in the NAV (representing one-third of the Performance Conditions) (“Performance Condition 1”)**

For the purposes of this Article:

The “**Change in the Company's NAV**” means, on a comparable basis compared with Carmila Group perimeter as of 31 December 2017, the change, expressed as a percentage, between Carmila's 2017 Net Asset Value and the Company's 2020 Net Asset Value.

The “**Change in the Panel's NAV**” means the average of the change, expressed as a percentage, between the 2017 Net Asset Value and the 2020 Net Asset Value of each of the companies in the Panel.

The “**2017 Net Asset Value**” means, for a company, the net asset value at 31 December 2017.

The “**2020 Net Asset Value**” means, for a company, the net asset value at 31 December 2020, plus any distribution paid between 31 December 2017 and 31 December 2020.

The “**Panel**” means the panel of companies comparable to the Company as determined by the Company's Board of Directors in the regulations for the plan.

- If the change in the Company's NAV is less than the Change in the Panel's NAV, Performance Condition 1 will not be met.
- If the change in the Company's NAV is equal to the Change in the Panel's NAV, Performance Condition 1 will be deemed 50% met.
- If the change in the Company's NAV is 1 point greater than the

Change in the Panel's NAV, Performance Condition 1 will be deemed 75% met.

- If the change in the Company's NAV is 2 points greater than the Change in the Panel's NAV, Performance Condition 1 will be deemed 100% met.
- If the change in the Company's NAV is 3 points greater than the Change in the Panel's NAV, Performance Condition 1 will be deemed 120% met.

If the result obtained falls between two of the above marker points, the extent to which Performance Condition 1 is met will be calculated by linear interpolation.

• **Condition 2: Average Annual Growth in the Recurring earnings (representing one-third of the Performance Conditions) (“Performance Condition 2”)**

Within the meaning of this Article, the “**Average Annual Growth in Recurring Earnings**” means, at scope restated for any sales of asset occurred on the period, the average annual growth, expressed as a percentage, in the recurring earnings per Carmila share for the financial year ended 31 December

2020 in relation to the recurring earnings per Carmila share for the financial year ended 31 December 2017 calculated on the basis of the outstanding number of shares at 31 December 2017.

- If the Average Annual Growth in Recurring Earnings per share is less than or equal to 2%, Performance Condition 2 will not be met.
- If the Average Annual Growth in Recurring Earnings per share is equal to 4%, Performance Condition 2 will be deemed 20% met.
- If the Average Annual Growth in Recurring Earnings per share is equal to 6%, Performance Condition 2 will be deemed 40% met.
- If the Average Annual Growth in Recurring Earnings per share is equal to 8%, Performance Condition 2 will be deemed 60% met.
- If the Average Annual Growth in Recurring Earnings per share is equal to 10%, Performance Condition 2 will be deemed 80% met.
- If the Average Annual Growth in Recurring Earnings per share is equal to 12%, Performance Condition 2 will be deemed 100% met.
- If the Average Annual Growth in Recurring Earnings per share is equal to 14%, Performance Condition 2 will be deemed 120% met.

If the result obtained falls between two of the above marker points, the extent to which Performance Condition 2 is met will be calculated by linear interpolation.

• **Condition 3: Change in the Stock Market Price (representing one-third of the Performance Conditions) (“Performance Condition 3”)**

Within the meaning of this Article, the “**2020 Stock Market Price**” means the average of the closing prices quoted for the last 40 trading days of the 2020 financial year.

- If the 2020 Stock Market Price is 5% less than the net asset value per Company share at 31 December 2019, Performance Condition 3 will not be met.
- If the 2020 Stock Market Price is equal to the net asset value per Company share at 31 December 2019, Performance Condition 3 will be deemed 80% met.
- If the 2020 Stock Market Price is equal to 105% of the net asset value per Company share at 31 December 2019, Performance Condition 3 will be deemed 100% met.
- If the 2020 Stock Market Price is equal to or more than 110% of the net asset value per Company share at 31 December 2019, Performance Condition 3 will be deemed 120% met.

If the result obtained falls between two of the above marker points, the extent to which Performance Condition 3 is met will be calculated by linear interpolation.

5. The number of A Shares resulting from the conversion must be

determined, for each holder of B Shares, by applying the Conversion Ratio to the number of B Shares held by the holder on the conversion date, with the Conversion Ratio being weighted as follows:

- 0% of the Conversion Ratio if the holder is no longer employed by the Company or one of its subsidiaries on 16 May 2019;
- 20% of the Conversion Ratio if the holder is still employed by the Company or one of its subsidiaries on 16 May 2019;
- 40% of the Conversion Ratio if the holder is still employed by the Company or one of its subsidiaries on 16 May 2020;
- 100% of the Conversion Ratio if the holder is still employed by the Company or one of its subsidiaries on 16 May 2021;
- on an exceptional basis, between 0% and 100% of the Conversion Ratio, by a decision of the Board of Directors, if the holder is no longer employed on the Expiry Date of the Holding Period and depending on the circumstances and the date on which he/she left the Company.

4. decides to insert a new Article 23, worded as follows, into the Company's articles of association:

Article 23 – (Special Shareholders' meeting) -

1. The B Shareholders are consulted under the conditions laid down in Articles 19 to 22 (applicable mutatis mutandis to the special meeting of B Shareholders) on the matters falling specifically within their jurisdiction in accordance with the law.
2. Only B Shareholders recorded in the Company's records can take part in these special meetings and vote therein.
3. The special meeting of B Shareholders exercises its powers under the conditions laid down by the regulations in force.
4. The Company's decisions, taken at a Shareholders' meeting, are only definitive after approval by the special meeting of B Shareholders when they amend the rights relating to B Shares.

5. decides, as a result of the insertion of Article 23, to amend the numbering of the (former) Articles 23 to 26 of the Company's articles of association.

6. decides that this amendment to the articles of association will only come into effect at the end of the vesting period applicable to the first allocation of preference shares made under the authorisation granted in the tenth resolution.

Twelfth resolution – (Powers to carry out the formalities) - The Shareholders' meeting, deliberating pursuant to the quorum and majority conditions required for extraordinary Shareholders' meetings, gives all powers to the bearer of an original, a copy or an extract of the minutes of the deliberations of this Shareholders' meeting for the purpose of carrying out any legal formalities and effecting any filing, publication and declarations laid down by the legislation or the regulations in force.

A. How to attend the General Meeting

1. Proof of the right to attend the General Meeting

The General Meeting is made up of all the shareholders, irrespective of the number of shares they own. Pursuant to Article R. 225-85 of the French Commercial Code, a shareholder has the right to attend the General Meeting if their name or that of the financial intermediary registered on their behalf appears in an account entry on the second business day preceding the date of the General Meeting, i.e. at 0:00 am Paris time on Monday, 14 May 2018:

- either in the registered share accounts kept by CACEIS Corporate Trust on behalf of the Company
- or in the bearer share accounts kept by the authorised intermediary.

An account entry for bearer shares is evidenced by means of a statement of holdings issued by the authorised intermediary.

2. Possible arrangements for attending the General Meeting

2.1 Shareholders wishing to attend the Annual General Meeting in person may request an admission card as follows:

- **for registered shareholders:** by applying for an admission card from CACEIS Corporate Trust, Service Assemblées Générales (14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09) or presenting themselves directly on the day of the Annual General Meeting at the special counter set up for this purpose in possession of an identity document
- **for holders of bearer shares:** by asking the authorised intermediary managing their securities account for a statement of holdings to be sent to them or to CACEIS Corporate Trust, Service Assemblées Générales (14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09). Holders of bearer shares who have not received their admission card by the second business day preceding the General Meeting, may be issued the statement of holdings directly by the authorised intermediary, which may be presented on the day of the General Meeting by the shareholder.

2.2. Shareholders not attending the General Meeting in person may opt for one of the following three forms of representation:

- a) Giving a proxy to another shareholder, their spouse or partner under a civil solidarity agreement (PACS) or any other natural or legal person of their choice in accordance with the applicable statutory and regulatory requirements
- b) Sending a proxy to the Company without any named representative, in which case a vote will be cast in favour of the resolutions presented or recommended by the Board of Directors and a vote against the adoption of all other draft resolutions
- c) Voting by post.

There is no provision for voting electronically and so no website will be set up for such purpose as specified in Article R. 225-61 of the French Commercial Code.

2.3 When a shareholder has already voted remotely, sent in a proxy or requested an admission card or a statement of holdings as provided for in paragraph 2.1 above, they are no longer able to choose a different method of attending the General Meeting.

2.4 A shareholder who has already voted remotely, sent in a proxy or requested an admission card or a statement of holdings as provided for in paragraph 2.1 above, may sell some or all of their shares at any time. However, if ownership is transferred prior to the second business day preceding the General Meeting, that is before 0:00 am Paris time on Monday, 14 May 2018, the Company

will invalidate or amend accordingly, depending on the circumstances, the electronic vote, proxy, admission card or statement of holdings. To this end, the authorised intermediary will notify the Company or its agent of the transfer of ownership and provide it with the requisite information.

No transfer of ownership completed after the second business day preceding the General Meeting at 0:00 am Paris time, irrespective of the means used, will be notified by the authorised intermediary or taken into consideration by the Company, notwithstanding any agreements to the contrary.

3. Joint arrangements for voting by proxy and by post

A combined postal and proxy voting form and its appendices will be sent to the registered shareholders.

Holders of bearer shares may, once the notice of the General Meeting has been issued:

- either make a written request to the Company (at its registered office) or to CACEIS Corporate Trust, Service Assemblées Générales (14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09) to send them a combined postal and proxy voting form. Requests received up until six (6) days prior to the date of the General Meeting, that is Thursday, 10 May 2018, will be met.
- or request this form from the authorised intermediary that manages their securities account.

This form will have to be returned, together with a statement of holdings for holders of bearer shares, so that CACEIS Corporate Trust, Service Assemblées Générales (14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09) or the Company (at the head office) receives it no later than three (3) days prior to the date of the General Meeting, that is by Sunday, 13 May 2018.

4. Specific arrangements for voting by proxy

The proxy form given by a shareholder seeking to be represented at the Annual General Meeting is to be signed by the former and to state his/her surname, usual first name and domicile. The mandate may be rescinded in the same way as that required for the appointment of the representative.

Notification of the appointment and dismissal of the representative may also be made electronically based on the following arrangements:

- **for registered shareholders:** by sending an e-mail to: ct-mandataires-assemblees@caceis.com, a digitized copy of the signed proxy voting form stating the name of the Company, the date of the General Meeting, their surname, their first name, their address, the ID number attributed to them by CACEIS Corporate Trust, and the first names and surnames of the representative appointed or dismissed.

- **for holders of bearer shares:** by sending an e-mail to: ct-mandataires-assemblees@caceis.com, a digitized copy of the signed proxy voting form stating the name of the Company, the date of the General Meeting, their surname, their first name, their address, and the first surname and surnames of the representative appointed or dismissed; then by requesting in all cases the authorised intermediary managing their securities account to send a statement of holdings (by post) to CACEIS Corporate Trust, Service Assemblées Générales (14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cédex 09 or by fax to +33 (0)1 49 08 05 82).

For appointments or dismissals of representatives made electronically to be validly taken into account, these appointments or dismissals, and the corresponding statement of holdings from the authorised intermediary for holders of bearer shares must be received no later than by Friday, 11 May 2018.

In addition, only notifications of appointments or dismissals of representatives may be sent to the aforementioned email address, and no other requests or notifications concerning other matters may be considered and/or dealt with.

B. Requests for items or draft resolutions to be added to the agenda

In accordance with Articles R. 225-71 and R. 225-73 of the French Commercial Code, requests for the addition of items or draft resolutions to the agenda made by shareholders together holding the requisite percentage of the share capital pursuant to the law must be sent to the registered office by registered letter with return receipt requested no later than by twenty-five days prior to the date of the General Meeting, that is by Saturday, 21 April 2018. The persons making the request must supply with their request a certificate evidencing the shares they hold. Reasons for the inclusion of a point on the agenda must be provided. Requests to add draft resolutions must be accompanied by the proposed wording of the resolution, which may be supported by a brief explanation of the motives. When the draft resolution relates to the proposed appointment of an individual to the Board of Directors, it must be accompanied by the information provided for in para. 5 of Article R. 225-83 of the French Commercial Code. The review of the agenda item or draft resolution is contingent upon the transmission by those making the request of a newly issued certificate evidencing the entry of shares in the same accounts at 0:00 am Paris time on the second business day preceding the General Meeting.

C. Written questions

In accordance with Article R. 225-84 of the French Commercial Code, every shareholder has the option of sending written questions to the Board of Directors. Written questions must be sent to the registered office by registered letter with return receipt requested for the attention of the Chairman of the Board of Directors, no later than by the fourth business day preceding the date of General Meeting, i.e. Thursday, 10 May 2018. They should be accompanied by a statement of account.

D. Documents made available to shareholders

Documents intended for presentation at the General Meeting in accordance with Articles L. 225-115 and R. 225-83 will be made available to shareholders at the Company's registered office from the date of publication of the notice of meeting.

All the information and documents referred to in Article R. 225-73-1 of the French Commercial Code may also be consulted, from the twenty-first day preceding the General Meeting, i.e. Wednesday, 25 April 2018, on the Company's web site (www.carmila.com).

This advance notice will be followed by a notice of meeting listing any changes made to the agenda following requests to add draft resolutions presented by the shareholders.

The Board of Directors.