Welcome to tomorrow's world

REGISTRATION DOCUMENT 2018_2019

INCLUDING THE ANNUAL FINANCIAL REPORT

soitec

Contents

The Registration Document can be viewed and downloaded on the Group's website at **www.soitec.com**

The components of the annual financial report are indicated in the table of contents by the AFR icon.

REGISTRATION DOCUMENT

2018_2019

INCLUDING THE ANNUAL FINANCIAL REPORT

"Soitec is the leading producer worldwide of equipment for innovative semiconductors.
The company uses its unique technologies and semiconductor expertise to serve the electronics markets."

This Registration Document was filed with the French Financial Markets Authority (*Autorité des marchés financiers* or "AMF") on July 4, 2019, in accordance with article 212-13 IV of the Authority's general regulations. It may be used in support of a financial transaction if completed by a transaction memorandum approved by the French Financial Markets Authority. This document has been drawn up by the issuer and at the responsibility of the signatories hereto.

Copies of this Registration Document may be obtained free of charge from:

- Soitec, Parc Technologique des Fontaines Chemin des Franques, 38190 Bernin, France,
- from the Soitec website **(www.soitec.com)** or from the French Financial Markets Authority website **(www.amf-france.org)**..

"In the realm of semiconductors, technology continues to push back the limits of components performance embedded into electronic applications."

Joint Interview

Strong growth, solid results, promising acquisitions, innovative new products, an ambitious outlook: all lights are green for Soitec.

The 2018-2019 fiscal year is the culmination of a three-year cycle which saw Soitec resume its conquest of the consumer electronics markets and return to a sound financial position. At a time when the Group is set to continue its remarkable track record in the realm of semiconductors and set itself new targets, Thierry Sommelet, Chairman of the Board of Directors until the end of March 2019 and still a Board member, Éric Meurice, who took over from him as Chairman and Paul Boudre, Chief Executive Officer, take a look back and answer a few questions.

What have been the key factors explaining Soitec's turnaround in your opinion?

THIERRY SOMMELET: In 2016, the shareholding restructuring and the return to a sound financial position enabled Soitec to focus on the implementation of the strategic plan approved the previous year. This plan aimed to refocus on Electronics, its core business. The recovery potential was there, but we needed the financial resources to invest in dedicated FD-SOI production capacities in order to support the mass adoption of this technology. As in all turnarounds, the human factor was essential. The management team succeeded in getting the entire organization in motion and mobilized the teams around a unifying project, whilst the Board ensured that all employees would benefit from this recovery by encouraging free share allocations.

PAUL BOUDRE: We had a very clear vision of where we wanted to go and how to get there. First of all, we needed to consolidate the success of our substrates for radio-frequency applications by making our RF-SOI product an industry standard. This has been achieved as every smarthpone sold worldwide contains RF-SOI. And we are now well on the way to replicate this technological and commercial success with our FD-SOI product. Sales growth is very encouraging. I see this as the result of our desire to work with all players in the value chain rather than only with manufacturers of integrated circuits and foundries, who are our direct customers. We now work much more closely with design companies, "fabless" companies and our final customers' design offices to develop solutions that meet the major challenges of tomorrow's electronics, particularly mobility, connectivity and low energy consumption.

Could you give us a bit more detail about your performance?

P. B.: In three years, we have almost doubled our revenue. Growth has been driven by the continued demand for our 200 mm radio-frequency products, and also in 300 mm, a new range of substrates for more complex applications. Our sales of power electronics products used in the automotive sector, products used in 3D imaging for general public applications and products used in optical emitter-receivers have also made progress. Lastly, sales of FD-SOI, which offer an optimal ratio of cost, efficiency, performance and energy consumption, have taken off. Thanks to the quality of our operational management, we have also multiplied our EBITDA by four in three years.

"The fact that we are now largely profitable provides a guarantee of solidity to our entire ecosystem."

THIERRY SOMMELET,
Chairman of the Board of Directors
(until March 28, 2019)
Director

T. S.: This improvement in profitability is reflected in strong cash generation which contributes to financing the capacity investments required to meet growth in demand. The fact that we are now largely profitable provides a guarantee of solidity to our entire ecosystem, and provides reassurance about our ability to implement our investments. This good financial health has also enabled Soitec to refinance on advantageous terms: thanks to the sharp increase in our share price, the bulk of our OCEANE convertible bonds maturing in 2018 were converted and we were able to issue new interest-free bonds last year.

ÉRIC MEURICE: In three years, the share price has increased by 700% and Soitec has restored its position in the SBF 120 and CAC Mid60 indices. This increase reflects the improvement in our results and is testament of investors' confidence in our prospects. At the end of June 2019, our stock market capitalization exceeded €3 billion for the first time.

Soitec appears to rely on a large number of partners. Can you explain this strategy?

P. B.: It is important to leverage our efforts in terms of innovation. Our collaboration with Grenoble's based CEA-Leti took on a new dimension this year with the creation of the Substrate Innovation Center allowing manufacturing companies to access the shared expertise of Leti and Soitec through a substrate pilot line. In addition to our historical ties with the IMEC in Belgium and the Fraunhofer Institute in Germany, we recently signed partnerships with A*Star in Singapore for the transfer of layers for chip packaging, with Silicon Catalyst in the Silicon Valley, an incubator focusing on accelerating the development of silicon-based solutions, and with China Mobile's 5G innovation center. We also take part in other innovation platforms in the areas of artificial intelligence in California, and connected cars in Europe.

T. S.: In addition to partnerships in innovative areas, Soitec's business is also based on industrial agreements that increase product penetration. GlobalWafers and Shin-Etsu Handotaï are purely licensees, whilst Simgui manufactures 200 mm wafers in China.

E. M.: To complete this description of our ecosystem, I would add that Soitec is one of the leading players in the Nano2022 plan, a program that supports the French industry in the production of electronic components. Nano2022 is part of an Important Project of Common European Interest (IPCEI) in the field of nanoelectronics. Soitec is also a key player in the electronics sector in the Grenoble area and we are proud that our growth directly contributes to creating local jobs and developing the entire region.

You recently made several acquisitions. Does this mark a turning point in your strategy?

P. B.: Whilst we continue to see a promising future for our silicon-on-insulator wafers, expanding our portfolio to include substrates based on new materials is an integral part of our strategy. External growth enables us to develop new skills.

"Expanding our portfolio to include substrates based on new materials is an integral part of our strategy."

PAUL BOUDRE,
Chief Executive Officer

This is the case with Frec|n|sys in the area of filter design, which will be useful in developing piezo-on-insulator wafers, which are particularly relevant for 5G. The same is true for EpiGaN, which enables us to expand our range of innovative substrates to gallium nitride. Our penetration of high growth market segments such as 5G, power electronics and sensors is thereby accelerated. Lastly, Dolphin Design's expertise in the design of integrated circuits for low-power applications has reinforced our FD-SOI offering.

T. S.: The Board of Directors provides its support to the management team by assessing and approving the strategic choices and options that strengthen Soitec's position. These acquisitions were therefore subject to in-depth scrutiny by the Board, which confirmed the acquisition approach initiated by the management team.

What are Soitec's ambitions for the coming years?

P. B.: Spurred on by 5G, artificial intelligence and energy efficiency - the three major trends in semiconductors, technology continues to push back the limits of components performance embedded into everyday electronic applications. Our ambition is to be recognized as a leader capable of developing innovative substrates that play a key role in the innovation chain, and with the potential to become standards in our four target markets: smartphones, the Internet of Things, automotive, as well as cloud and mobile telecommunications infrastructure.

For this purpose, we have introduced a new organizational structure, with a central innovation department and with activities managed by six business units focused on our specific product lines, thus enabling us to be more responsive to our customers' needs.

E. M.: To ensure that we achieve our growth ambitions, we must continue to invest in our production capacities. We decided to expand our existing capacities in Bernin and Singapore, which is easier, more effective, safer and cheaper than constructing new plants. The Board will ensure that these investments are made in a gradual and disciplined way, and according to customers' needs. It is worth mentioning that the anticipated growth is expected to generate sufficient cash to finance these investments.

How are these ambitions translated in tangible terms?

P. B. : We aim to double our revenue over three years, at current exchange rates. This growth will come from both an increase in the surface of our innovative substrates contained in electronics products and the use of our substrates in new applications. Based on the full operation of our new manufacturing capacities, our model would lead to a tripling of our revenue and EBITDA.

E. M.: We are very excited to see such a new profitable growth cycle opening up to us. The Board will exercise its oversight to support the investment or external growth decisions. Through a detailed analysis of the risks and opportunities, we will ensure that Soitec is able to achieve its full potential whilst constantly anticipating new market trends. The importance of innovative substrates across the entire Electronics value chain continues to grow and allows for the emergence of new waves of innovations. In this context, our aim is more than ever to make Soitec the leader in innovative standards in the semiconductor industry.

"We are very excited to see such a new profitable growth cycle opening up to us."

ÉRIC MEURICE ,
Chairman of the Board of Directors
(since March 28, 2019)

Soitec, a global leader at the heart of the Grenoble eco-system

Our Vision

"To be recognized as a leader in innovative semiconductor standards for products shaping the future"

No. 1

in the production of innovative semiconductor materials

Two unique technologies

Smart Cut™, Smart Stacking™

Two areas of expertise

Epitaxy, Compound Materials

serving **4 mass markets**: Smartphones, automotive, cloud and mobile telecommunications infrastructures, the Internet of Things

Global headcount

Nearly 1,450 employees

73% managers, engineers and technicians

over 20 nationalities

Portfolio of more than **3,500** patents

90%

of sales made internationally

Return to the SBF 120 in 2017

Share market price over 3 years

+700%

AN INDUSTRY STANDARD

100% of smartphones use Soitec's RF-SOI technology

More than **6 billion chips** in the automobile sector use Soitec's Power-SOI wafers

50 billion potential devices for the Internet of Things

Over 20 billion RF integrated circuits use Soitec's RF-SOI wafers

Our Mission

"To design and deliver innovative substrates to enable our customers' products shaping everyday life."

SOITEC: THE KEY DATES

1992
Creation of a start-up

1999
Initial Public Offering (IPO) and launch of operations in Bernin 1, France

2015
Refocusing of the Group on electronics, its core business

2017
Recovery achieved, sustainable growth and return to the SBF 120

4 key dates in our international expansion

1999
First commercial site in the United States

2004
First commercial site in Asia

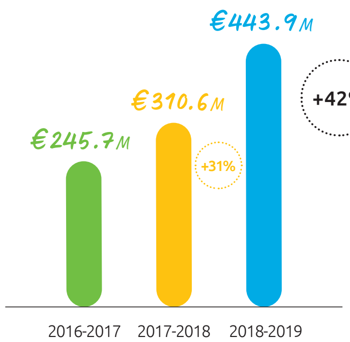
2017
Reopening of the Pasir Ris production site in Singapore

2019
China: reinforcement of the strategic partnership with Simgui, initiated in 2014

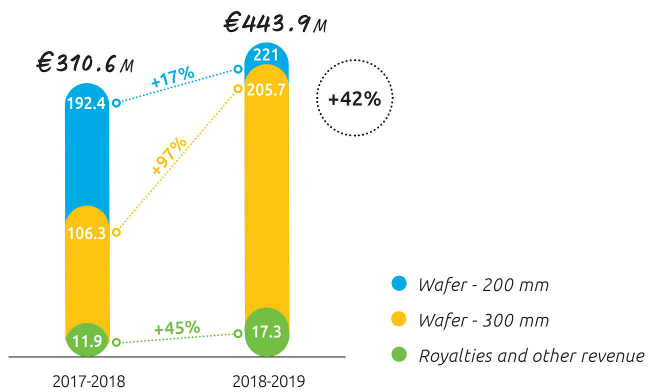
Direct commercial presence in China

SOLID FINANCIAL PERFORMANCE

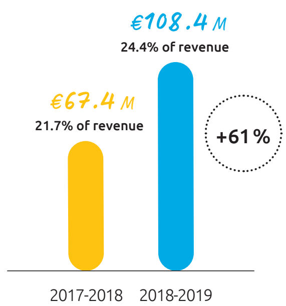
› *Revenue**



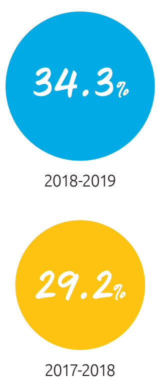
› *Breakdown and change of revenue by wafer type**



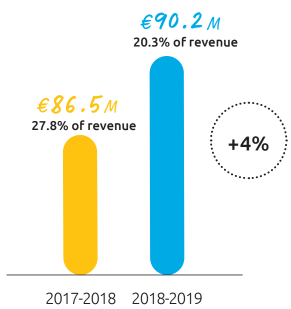
› *Current operating income*



› *EBITDA margin (continuing operations)*



› *Net profit*



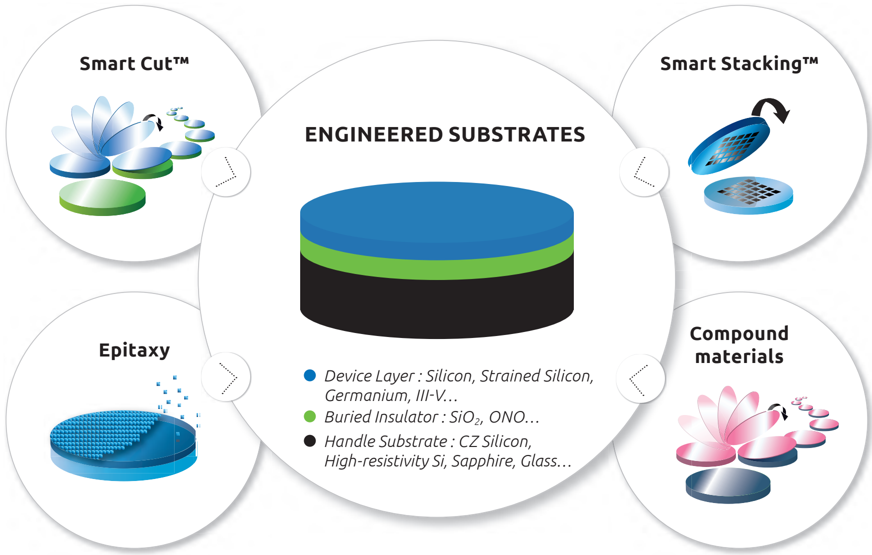
* *at constant perimeter and exchange rates.*

A PORTFOLIO OF PRODUCTS MATCHING THE NEEDS OF CURRENT AND FUTURE APPLICATIONS AND DRIVEN BY THE DEVELOPMENT OF 5G, ARTIFICIAL INTELLIGENCE AND ENERGY EFFICIENCY

Soitec plays a key role in the microelectronics industry

We design and manufacture innovative semiconductor materials: substrates, Silicon-on-Insulator (SOI) wafers notably, on which electronic components are engraved before wafers are being cut-out to create the small dies used in integrated circuits. We offer new and competitive solutions to pursue the miniaturization of chips, increase their performance and reduce their energy consumption.

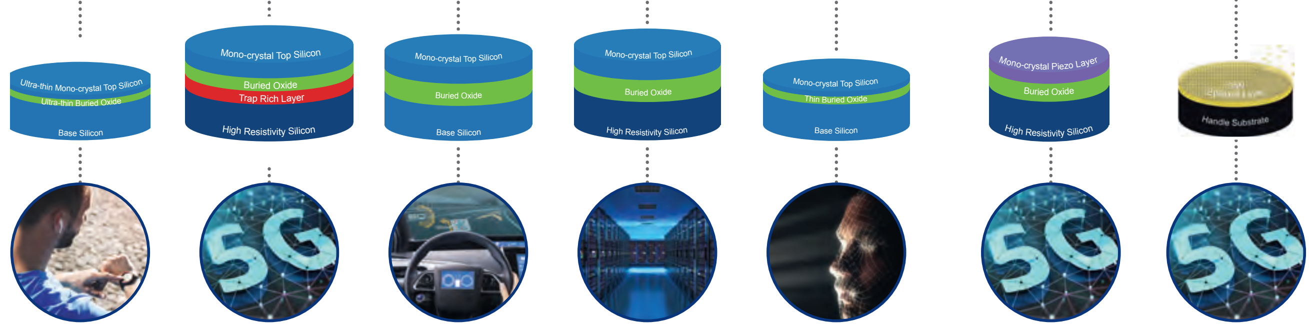
Our products are used to manufacture chips that are at the heart of smartphones, tablets, computers, IT servers and data centers. We also find them in automobiles, smart devices, industrial and medical equipment, and the list is getting longer and longer.



We were pioneers thanks to our technological and industrial know-how based on two technologies: Smart Cut™ and Smart Stacking™ and two areas of expertise: Epitaxy and Compound Materials. As a result, **our Smart Cut™ technology** is today used to produce almost 100% of all thin SOI wafers sold worldwide.

A product portfolio for multiple applications

PROCESSOR & CONNECTIVITY SOC	RADIO-FREQUENCY EMISSION/ RECEPTION MODULE	POWER	PHOTONICS	IMAGE SENSOR	PIEZO ON INSULATOR	GaN
FD-SOI	**RF-SOI**	**Power-SOI**	**Photonics-SOI**	**Imager-SOI**	**POI**	
For power-efficient & flexible digital computing with easy analog/RF integration.	For highly efficient mobile communication for 4G and 5G standards.	For seamless high voltage device isolation.	For the Integration of high-performance silicon optical components.	For improved performance of image sensors operating in the infra-red spectrum.	A new range of innovative substrates for use in RF filters.	For 5G radio-frequency applications and power components.



Silicon-On-Insulator products — *Piezo & compound products*

"FD-SOI increases the duration of GPS use and provides up to 35 hours' autonomy"

A SOLID MANUFACTURING BASE

Global presence

We have industrial sites, R&D centers and sales offices in Europe, the USA and Asia, as close as possible to the hubs of our industry.

An agile and multi-site industrial tool: we have **8,800 m²** of clean rooms, located in three facilities in **France,** one in **Singapore** and one in **Belgium**. In September 2018, we reinforced the partnership signed in 2014 in **China**, with Simgui, for the manufacturing of 200 mm SOI wafers. Simgui is now focusing on the production and we are accountable for resale worldwide.

Bernin is the world's largest SOI wafers industrial production site (for 200 mm and 300 mm wafers).

BERNIN 2 + PASIR RIS
TOTAL 300-MM CAPACITY
0.9 M wafers/y. by FY20

BERNIN 1 + SHANGHAI
TOTAL 200-MM CAPACITY
1.3M wafers/y. by FY20

BERNIN 3
TOTAL 150-MM CAPACITY
Potential of 0.4M wafers/y

6 production lines

ANNUAL CAPACITY

0.4 MILLION	1.3 MILLION	0.9 MILLION
150 mm wafers	200 mm wafers	300 mm wafers

* *High Volume Manufacturing.*

INCLUSION OF SUSTAINABLE DEVELOPMENT CRITERIA IN OUR STRATEGY AND EVERYDAY RELATIONSHIPS WITH OUR ECOSYSTEM

ISO 14001 · ISO 50001 · ISO 45001 — Bernin 1, 2 and 3 already certified

ISO 9001 — Pasir Ris ISO 9001 certified in early 2019

PEOPLE

Signature of an agreement pertaining to working conditions quality, September 2018

Salary equality index at March 31, 2019

89/100 +5 points

Average number of training hours per employee as of March 31, 2019

36 hours

(compared to 27 last year, i.e. + 9hr)

PLANET

100%-renewable energy

› *Consumption kWh/production unit*

2017	2018	2019
69	58	51

ETHICAL BUSINESS

Soitec Code of Conduct training through e-learning sessions available on the Soitec University training platform

+

Supplier relationships: supply from "conflict-free minerals" guaranteed

INNOVATION, SOITEC'S DNA IN A FEW FIGURES

3,500 ACTIVE PATENTS

1 patent filed per day

over **200** inventors

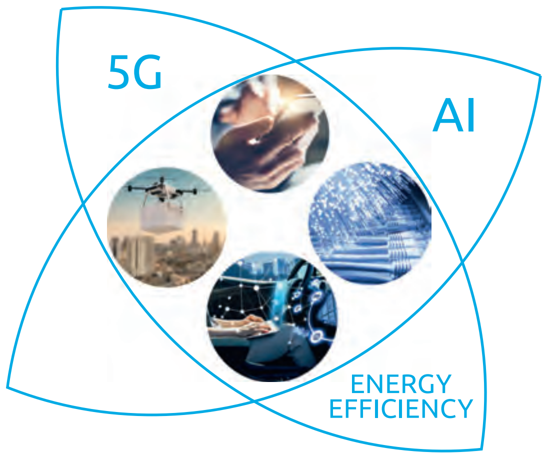
12% of revenue dedicated to gross R&D expenses

12.5% of workforce in R&D

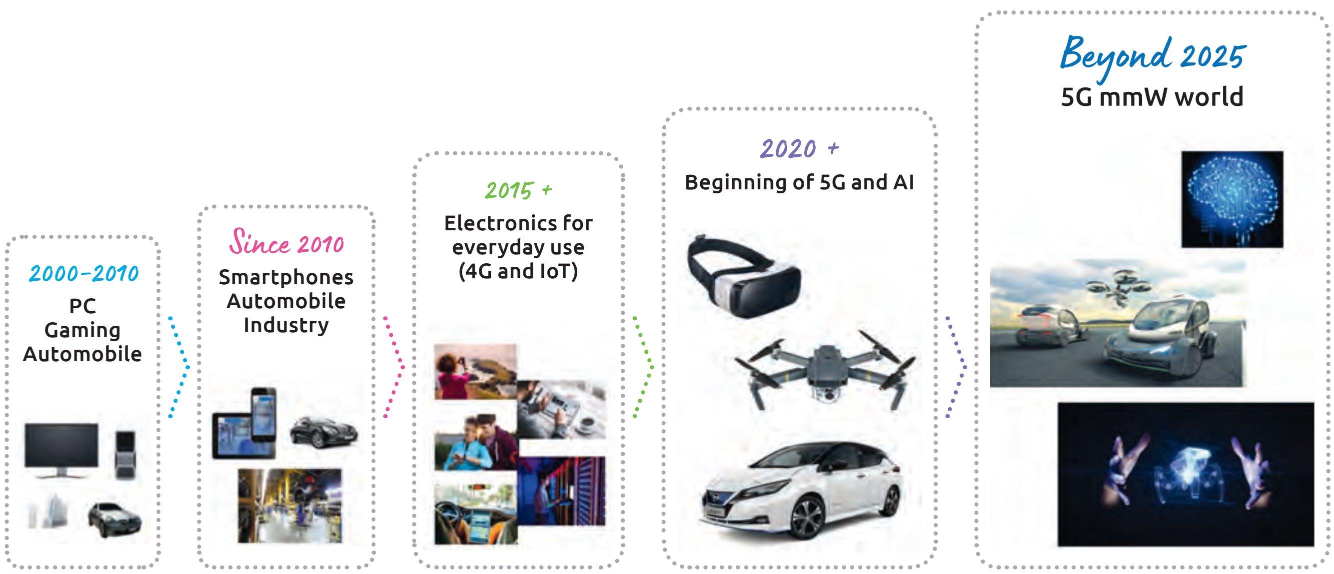
"Soitec is in the Top 50 French patent filers in 2018 and at the head of the top 10 intermediate size companies (INPI ranking)"

Semiconductor market trends

Today, the development of 5G and artificial intelligence, as well as the quest for energy efficiency, are creating new opportunities in a number of areas such as: the Internet of Things, smartphones, cloud and mobile telecommunications infrastructures, and automotive.



Growth in the semiconductor industry has been and continues to be driven by innovation



Growth drivers

SMARTPHONES
4G /5G,
artificial intelligence,
sensors…

AUTOMOBILE
Autonomous driving,
electric vehicles, connectivity,
infotainment

CLOUD INFRASTRUCTURE
5G, autonomous cars,
connection speeds,
hyperscale datacenter

INTERNET OF THINGS
Personal assistants,
connected homes, drones,
security cameras…

GROWTH THAT CARRIES COMPLEX TECHNICAL CHALLENGES

The deployment of these applications, marked by particularly rapid technological changes, leads to a need for specific high-performance, low-consumption chips

Mobility, connectivity and low consumption require:

- Continued chips miniaturization
- Improved chips performance
- Reduced energy consumption

Advanced substrates are essential to the mass deployment of 5G mobile communications for applications such as autonomous vehicles, continuous industrial connectivity and virtual reality.

ENERGY EFFICIENCY

FORM FACTOR

COMMUNICATION

RELIABILITY AND SECURITY

FUNCTION INTEGRATION

COST FOR MASS ADOPTION

BETTER SENSORS AND DISPLAYS

PLATFORM ROADMAP

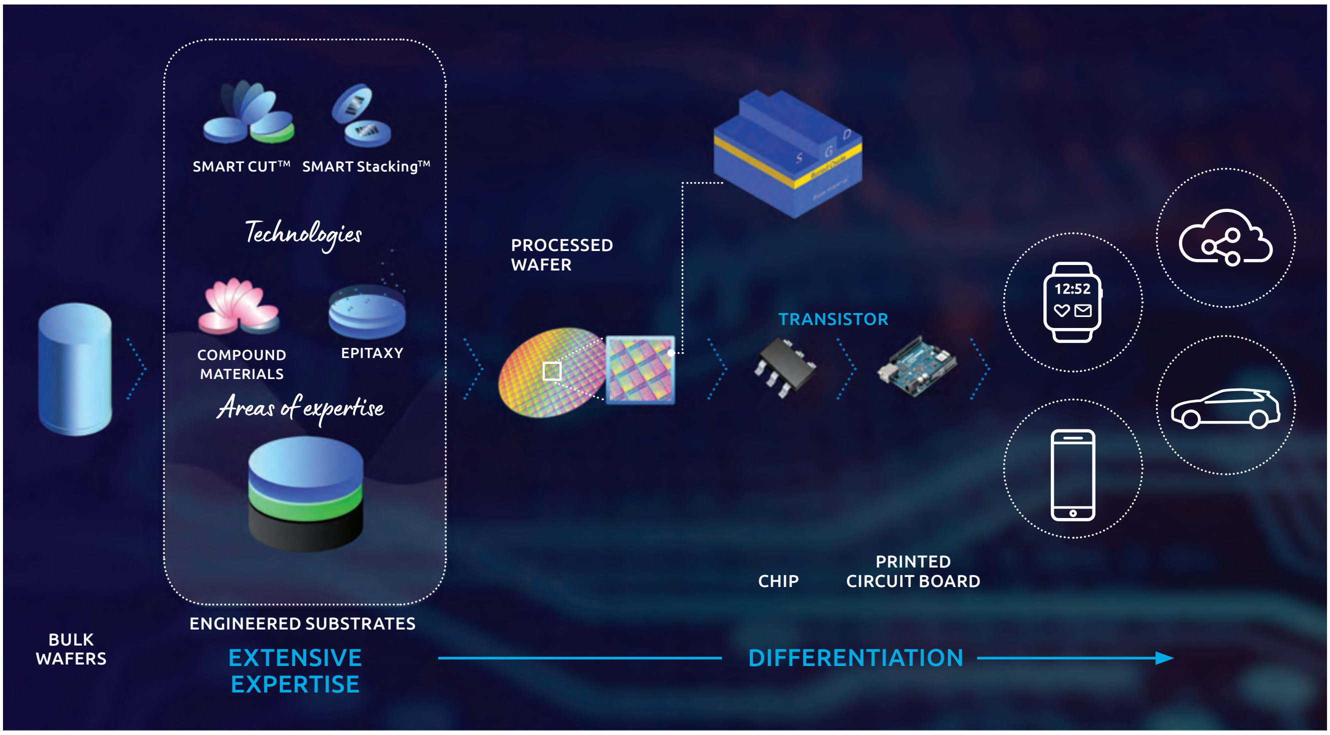
A strategic positioning in the value chain that facilitates meeting the new challenges of the electronics sector

PAUL BOUDRE,
Chief Executive Officer
of Soitec

"The value of SOI greatly exceeds the substrate level. Its benefits can be seen right through to the final application."

We buy silicon wafers from manufacturers who have smelted, cast and cut them. Our advanced technologies (primarily the Smart Cut™ process) are used to insert a layer of insulating material between two layers of silicon oxide and to manufacture Silicon-on-Insulator (SOI) wafers. These wafers are then sold to integrated circuit manufacturers.

As the requirements of new technology companies have changed, materials specifications have become more demanding. The keywords being reliability, mobility, better connectivity and lower energy consumption, all at a competitive cost. This is where our substrates are put to work by our customers.



A UNIQUE APPROACH TO ESTABLISHING INDUSTRY STANDARDS

A policy of innovation and protection of intellectual property to establish industry standards.

Our partnership policy: the strength behind our innovation

Working with our partners from the very first stages of product development

At Soitec, we have people capable of following the value chain, who speak the same language as the design offices of our final customers and can therefore understand the needs of our customers' purchasing teams.

We develop synergies in order to remain at the cutting-edge of R&D for semiconductor materials and the technologies that accompany the digital transformation of our society (Internet of Things, connected vehicles, smart cities, etc).

Our worldwide partnerships with laboratories and universities specializing in the semiconductor area, with manufacturers of embedded systems and foundries, as well as "fabless" customers in varied market segments (digital, radio-frequency, automobile, Internet of Things), enable us to anticipate the needs of new markets and the characteristics required for the future generations of electronic components.

We also have the support of our technological and industrial environment: our main site is located in Grenoble, a major European microelectronics hub with numerous players in research, higher education and industry.

STRATEGIC PARTNERSHIPS WITH INDUSTRIAL LEADERS AND LABORATORIES

imec · leti · SITRI · Fraunhofer · UCL Université catholique de Louvain · Agency for Science, Technology and Research SINGAPORE · CEMES

Focus - Substrate Innovation Center

In July 2018, we announced with the ***Leti****, the CEA (the French Atomic Energy Commission) Research Institute, the launch of* ***the Substrate Innovation Center****, a world class prototyping center combining the equipment of both partners to develop new materials.*

A unique center: whereas a typical manufacturing plant has limited flexibility to test new solutions, and cannot take risks with prototyping (contamination, etc), the Substrate Innovation Center aims to become the global assessment and substrate solution design center, in order to meet future needs.

It will make a pilot line available to share expertise between the Leti and Soitec.

At the Substrate Innovation Center, located on the Leti campus, Leti and Soitec engineers will explore and develop the functionalities of innovative substrates by focusing on 4G/5G connectivity, artificial intelligence, sensors and displays, automobile, photonics, and work on edge computing.

Access to these resources will be open to all industry partners within the semiconductor value chain: foundries, "fabless" companies and systems manufacturers. Interested industrial partners will also be able to assess and prototype small batches of products.

An intellectual property activity which allows to grant licenses to our partners

The strength of our innovation enables us to conduct an ongoing intellectual property business. As a result, we have a twin-track policy for our technologies: we manufacture ourselves or grant licenses so that other players may contribute to establishing industry standards.

We signed licensing agreements with Shin-Etsu Handotaï (our historical Japanese partner) in 1997, SunEdison in 2013 (American company recently bought by GlobalWafers) and Simgui (our Chinese industrial partner) in 2014.

TECHNOLOGY LICENSING

ShinEtsu · GlobalWafers · SIMGUI

Focus - Nano 2022

The launch of the Nano2022 support plan for pre-industrialization of technological developments, marks France's recognition of the importance of a solid, innovative electronic and microelectronic sector nationally to improve industrial competitiveness.

Nano2022 is the French component of a very large Important Project of Common European Interest (IPCEI). Within this IPCEI, Soitec is ***one of the 7 industrial leaders*** *and coordinates technological projects related to "high energy efficiency electronic components".*

Nano2022 is in line with our historical strategic priorities: innovation and the reinforcement of partnership between ecosystem players throughout the value chain.

Nano2022 will entail "the mobilization of 400 jobs in France on R&D and initial industrialization work, and the construction of new production lines, in Bernin, with investments of several hundred million euros over five years".

TO SUPPORT THIS STRATEGY, A NEW ORGANIZATION HAS BEEN DESIGNED TO BE AS CLOSE AS POSSIBLE TO CUSTOMERS, INNOVATE MORE RAPIDLY AND GRASP MARKET OPPORTUNITIES MORE EFFECTIVELY

Strong growth in customer demand, combined with the increased diversity and complexity of our markets, has led us to rethink the organization of our businesses in line with our growth targets.

Main changes

- **Creation of a Global Innovation Department,** centralizing R&D, from a new product idea to a mature solution leading to a marketable pilot product: it will be a platform bringing together all of our skills in this area.

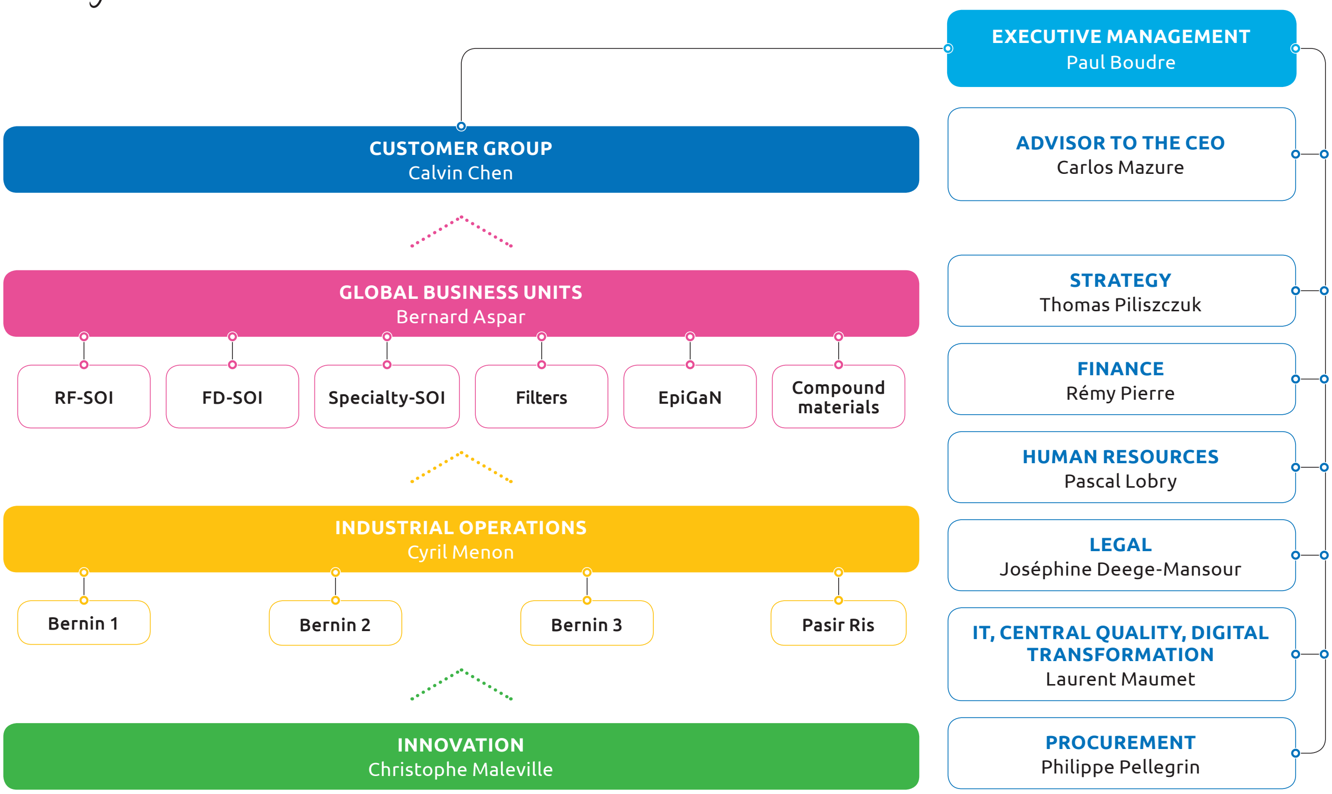
  Supporting our 6 Business Units, the Global Innovation Department also has the task of opening up new markets in partnership with the Strategic Office.

- **6 Business Units instead of the current 2 will manage our business activities.**

  Our Business Units are responsible for specific product lines, enabling them to be responsive to customer requirements by providing greater value.

- **Long term strategic direction** through the implementation of a dedicated strategic department, the **Strategic Office.** Supporting the vision of our Executive Committee, the Strategic Office has a key role in defining and executing our strategic plan. Its missions include protecting and extending our core business, developing the Company in adjacent activities and steering our internal and external growth.

› *New organizational structure*



Our business model

Our mission: to design and deliver innovative substrates

CHALLENGES OF BY THE ELECTRONICS SECTOR

Three major trends:
5G, AI, and energy efficiency

Our resources

ECOSYSTEM BASED ON RELATIONS

- At the start of the value chain, co-development partnerships with:
  - major research centers: CEA-Leti, Fraunhofer, IME, IMEC, etc.
  - industrial entities and suppliers for greater innovation to serve our customers
- **Member of the Responsible Business Alliance**

HUMAN RESOURCES

- **Nearly 1,450 employees, 73%** of whom are managers, engineers, or technicians
- **more than 20** nationalities
- A management method focused on autonomy and individual responsibility
- A strong culture of employee health and safety

INNOVATION

- **2 unique technologies** (Smart Cut ™ and Smart Stacking ™) and **2 areas of expertise** (Epitaxy and Compound Materials), serving **4 mass markets** (Smartphones, Automotive, Infrastructures for the Cloud & mobile telecommunications, Internet of Things)
- **12% of revenue** devoted to R&D
- A presence in the **Top 50 French patent filers** and **number 1 in the Top 10 intermediate size companies**

PRODUCTION

- **6 production** lines which guarantee supply reliability and flexibility:
  - Bernin 1, 2, and 3
  - Pasir Ris
  - Shanghai (partnership with Simgui)
  - Hasselt
- **Planned extension** of the main production lines

FINANCE AND ORGANIZATION

- A strengthened balance sheet: increase in equity: **+€120 million**
- **A return to the Euronext Paris CAC Mid60 and SBF120 indexes since 2017**
- A solid shareholding structure comprised of **3 loyal strategic investors** holding approximately 35% of our shares
- **A dual governance:**
  - **separation** of the duties of Chief Executive Officer and of Chairman of the Board of Directors
  - **independence of the Chairman** with regard to the AFEP-MEDEF Code
- **A Board of Directors** which **supports our strategy:**
  - **balanced and diversified:** 12 members, 5 nationalities, 1/3 independent, gender balance: 58% men -42% women
  - **committed and assiduous:** 28 Committee meetings, 7 Board meetings, with an average attendance rate of 86.50% for FY19

"A strategy based on disruptive innovation to offer our customers products

A two-tier approach: multi-product industrial production as close as possible to our clients

\+

a business involving the licensing of our technologies *to enable our customers' products shaping everyday life.*

Complex technological challenges

An internationalized market, dependent on global growth

which combine performance, energy efficiency and competitiveness."

A unique innovation model for a portfolio of products which is a source of high added-value differentiation

An organization focused on clients and applications

Our value creation

ECOSYSTEM BASED ON RELATIONS

- **A duty of vigilance** applied to all major suppliers
- Compliance with the **RoHS 2** European Directive (2011/65/UE)
- A **Code of Conduct updated in 2018** to comply with France's «Sapin 2» law
- Close work with some fifteen key clients to ensure their integration well upstream in our innovation strategy

HUMAN RESOURCES

- **338 new employees**
- **36 hours of training** per employee per year
- 4 QWL questionnaires per year(1)
- Group target: **FR <3**(2)
- Close attention paid to profile **diversity and inclusiveness in the workplace**

INNOVATION

- A portfolio of over **3,500 patents**
- **200 inventors**

PRODUCTION

- Technologies which have become **industry standards**, found in everyday life
- A decisive contribution to **end product performance**
- A historical geographical link to the **Grenoble-region cluster**
- IATF 16949(3): Bernin 1&2 since 2012 - Pasir Ris scheduled for October 2019
- ISO 9001(3): Bernin 3 since 2019 - Pasir Ris since April 2019
- ISO 14001(3): Bernin since 2001 - Pasir Ris scheduled for 2020
- OHSAS 18001/ ISO 45001(3): Bernin since 2010 - Pasir Ris scheduled for 2020
- ISO 5001(3): Bernin since 2015
- OEA(3): Bernin since 2009

FINANCE AND ORGANIZATION

- Revenue: €**444 million (+ 42%)** of which **90%** is generated internationally
- Profitability up sharply: EBITDA margin of 34.3**%** of revenue **(+5.1 pt)**
- Share price valuation: **+700%** over 3 years (compared to +25% for the SBF 120)
- **Highly attractive to institutional investors:**
  - the proportion held by our top 50 institutional investors has **tripled** in 2 years, **to reach 45% in March 2019**
  - a €150 million convertible bond issue completed in June 2018 via private placement with **zero-rate coupon and a premium of 37.5%**
- **Governance** in line with **best practice** and ready to meet **tomorrow's challenges**

(1) QWL: Quality of working life. (2) FR: Number of accidents leading to lost time of < 1 day.

(3) IATF 16949: Quality management system applicable to the automotive system - ISO 9001: Quality management system - ISO 14001: Environmental management system - OHSAS 18001/ ISO 45001: Occupational health and safety management system - ISO 5001: Energy management system - OEA: French Authorized economic operator.

Governance supporting our strategy

Our Group's strategy is based on a corporate governance structure in line with best practice. Since July 26, 2017, the duties of Chairman of the Board of Directors and Chief Executive Officer have been separated.
Éric Meurice, our Chairman elected last March, is an independent Director.

Our governance is based on our Board of Directors, its five specialist Committees and the Executive Committee led by Paul Boudre, our Chief Executive Officer.

OUR BOARD OF DIRECTORS

Our Board of Directors, at its meeting in Singapore on March 27, 2019, elected Éric Meurice as its Chairman.

He replaces Thierry Sommelet, who chaired the Board with talent and efficiency during an extended 16-month transition period.

Comprised of 12 committed and assiduous members, our Board is both diversified and balanced.

Its independence rate has increased from 25% to 1/3.

The changes in our Board since April 1, 2018 are presented in detail in Chapter 4 of the 2018-2019 Registration Document.

Composition of the Board as at June 12, 2019 (from left to right)

Éric Meurice
Chairman of our Board of Directors and Chairman of the Strategic Committee

Laurence Delpy
Independent Director and Chairwoman of the Nomination Committee

Guillemette Picard
(CEA Investissement)
Director

Thierry Sommelet
Director

Sophie Paquin
(Bpifrance Participations)
Director

Kai Seikku
Director

Monica Beltrametti
Independent Director

Paul Boudre
Chief Executive Officer and Director

Jeffrey Wang
Director

Christophe Gegout
Director and Chairman of the Audit & Risks Committee

Satoshi Onishi
Director

Inset:
Nadine Foulon-Belkacémi
Independent Director and Chairwoman of the Compensation Committee

Board of Directors key figures 2018-2019 fiscal year

12	5	42%	1/3	3 years	7	86.5%
DIRECTORS	NATIONALITIES	WOMEN	INDEPENDENT DIRECTORS	DURATION OF TERM OF OFFICE	MEETINGS	AVERAGE ATTENDANCE RATE

OUR FIVE COMMITTEES

Our Board of Directors is supported by the work of five committees that it has established: the Strategic Committee, the Audit and Risks Committee, the Nomination Committee, the Compensation Committee and the Restricted Strategic Matters Committee.

STRATEGIC COMMITTEE

Chairman:
ÉRIC MEURICE

Members	Number of meetings	Attendance rate	Independence rate
7	4	85.42%	42.86%

The **Strategic Committee** analyses our situation and growth vectors in order to submit proposals to the Board of Directors on our Group's strategy. Through its assessments and discussions, it clarifies the Group's strategic objectives submitted to the Board of Directors and assesses the validity and consequences of the most important strategic decisions submitted to the Board.

AUDIT AND RISKS COMMITTEE

Chairman:
CHRISTOPHE GEGOUT

Members	Number of meetings	Attendance rate	Independence rate
6	9	85.19%	50.00%

The **Audit and Risks Committee** assists the Board of Directors in ensuring the accuracy and fairness of our statutory and consolidated financial statements and the quality of the information provided. It is moreover closely involved in assignments related to both external and internal oversight.In this context, it meets regularly with our Statutory Auditors and our Internal Control function. Several times per fiscal year, our risk mapping is submitted to the Committee for examination.

NOMINATION COMMITTEE

Chairwoman:
LAURENCE DELPY

Members	Number of meetings	Attendance rate	Independence rate
7	5	97.50%	57.14%

The **Nomination Committee** is mainly involved in the reappointment or selection of new directors, and in the appointment of executive corporate officers. The Committee ensures that a succession plan is in place for the latter, and is kept informed of any changes within our Executive Committee. For each fiscal year, the Committee carries out an assessment of the Board of Directors and then analyzes the results in order to present these to our shareholders.

COMPENSATION COMMITTEE

Chairwoman:
NADINE FOULON-BELKACÉMI

Members	Number of meetings	Attendance rate	Independence rate
6	9	96.30%	50.00%

The **Compensation Committee** is, on the one hand, responsible for making recommendations regarding the compensation policies for directors and corporate executive officers. On the other hand, it leads preparatory works on allocation plans of securities giving access to our share capital, to be implemented in favor of our employees and corporate executive officers.

RESTRICTED STRATEGIC MATTERS COMMITTEE

CONVENED ON AN EXCEPTIONAL BASIS

Members	Number of meetings	Attendance rate	Independence rate
5	1	100.00%	60.00%

The **Restricted Strategic Matters Committee's** responsibility is to report on any planned transfer (whether by sale, license or by any other means) or any other joint venture project involving Smart Cut™, and to issue recommendations to the Board of Directors accordingly.

Number of meetings · Attendance rate · Independence rate

OUR EXECUTIVE COMMITTEE

Upon taking office in 2015, our Chief Executive Officer introduced a new internal management body: the Executive Committee or ExCom.

As the leader of this team of 11 senior managers, Paul Boudre uses the expertise of each of ExCom's members to inspire, drive, control and develop the Group's business in a collegiate manner. The team strives, to continue to capture growth in Electronics markets, and to pursue growth in profitability, while at the same time aiming for sustainability in the long term.

ExCom is a key player in implementing our business plan and in the deployment of our strategic plan. Our ExCom is based on a new organization structure which was progressively put in place during the course of fiscal year 2018-2019.

Resolutely looking to the future, this has led to the creation of interfaces enabling us to be agile and close to our markets and our clients, qualities which are vital to our ambitions for growth.

From left to right

Front row

Cyril Menon
Industrial Operations

Bernard Aspar
Global Business Units

Paul Boudre
Executive Management

Joséphine Deege-Mansour
Legal

Pascal Lobry
Human Resources

Second row

Rémy Pierre
Finance

Laurent Maumet
IT, Quality, and Digital Transformation

Christophe Maleville
Innovation

Philippe Pellegrin
Purchases

Calvin Chen
Customer Group

Thomas Piliszczuk
Strategy

Carlos Mazuré
Advisor to the Chief Executive Officer

Managing risks to improve performance

To meet the need to monitor and manage risks inherent to its business, our Group has set up an internal control and risk management mechanism. It is intended to provide reasonable assurance that its risks are under control. In this way, in accordance with the applicable standards and regulations, it contributes to the management of our activities, the effectiveness of our operations, and the efficient use of our resources.

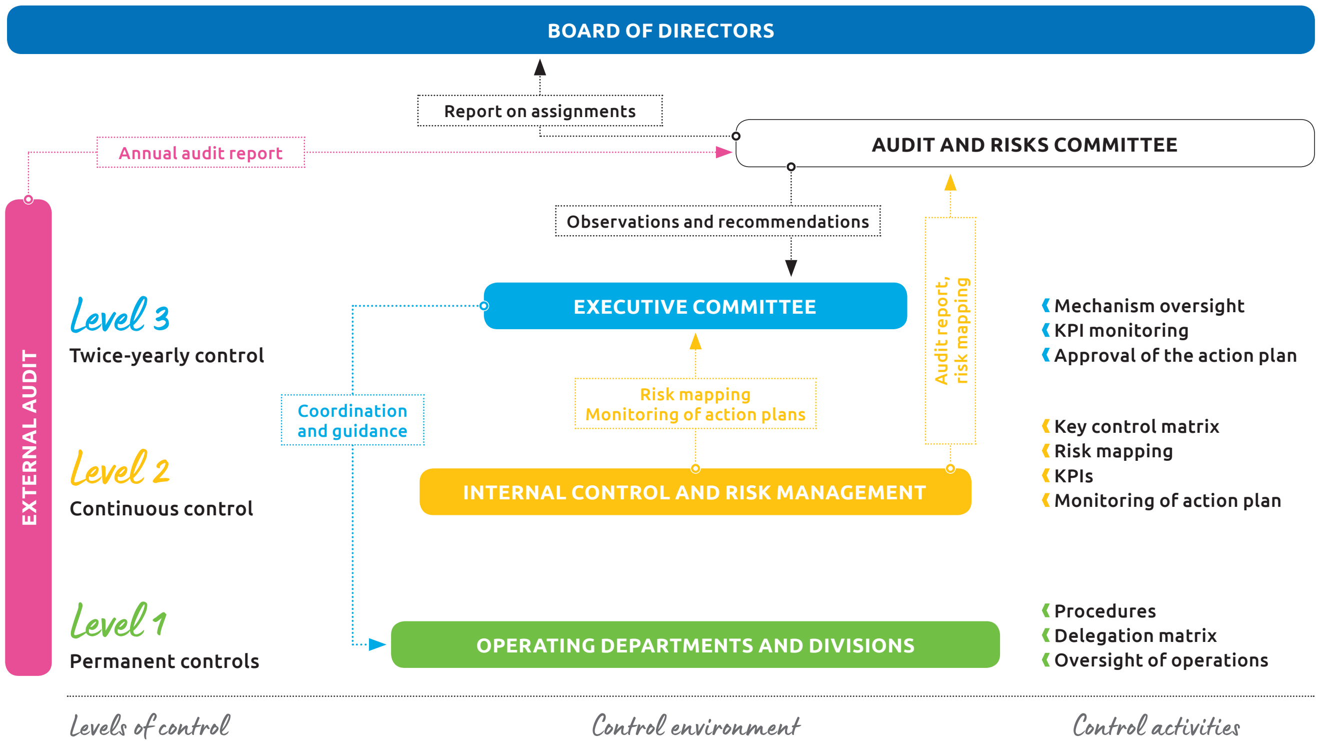
THE ORGANIZATION

Internal control is an integral part of the role of our Finance Department

It contributes to achieving several objectives:

- the reliability and integrity of published accounting and financial information;
- the compliance with the laws and regulations to which our Company and its subsidiaries are subject to;
- the implementation of instructions and guidelines set by our Group's governing bodies;
- the proper functioning and efficiency of our internal processes;
- the prevention and management of the major risks to which the nature of our activity exposes us.

The organization of our internal control and risk management mechanism is described below:



PRESENTATION OF OUR 16 MAIN RISK FACTORS

Our main risk factors presented here are detailed in Chapter 2 of the 2018-2019 Registration Document

RISKS RELATED TO THE ECOSYSTEM

1 Customer concentration
2 Anticipation of market changes
3 Size of competitors
4 Price fluctuations
5 Cyclical industry
6 Geopolitics and global economy

TECHNOLOGICAL RISKS

7 Technological obsolescence
8 R&D

INDUSTRIAL RISKS

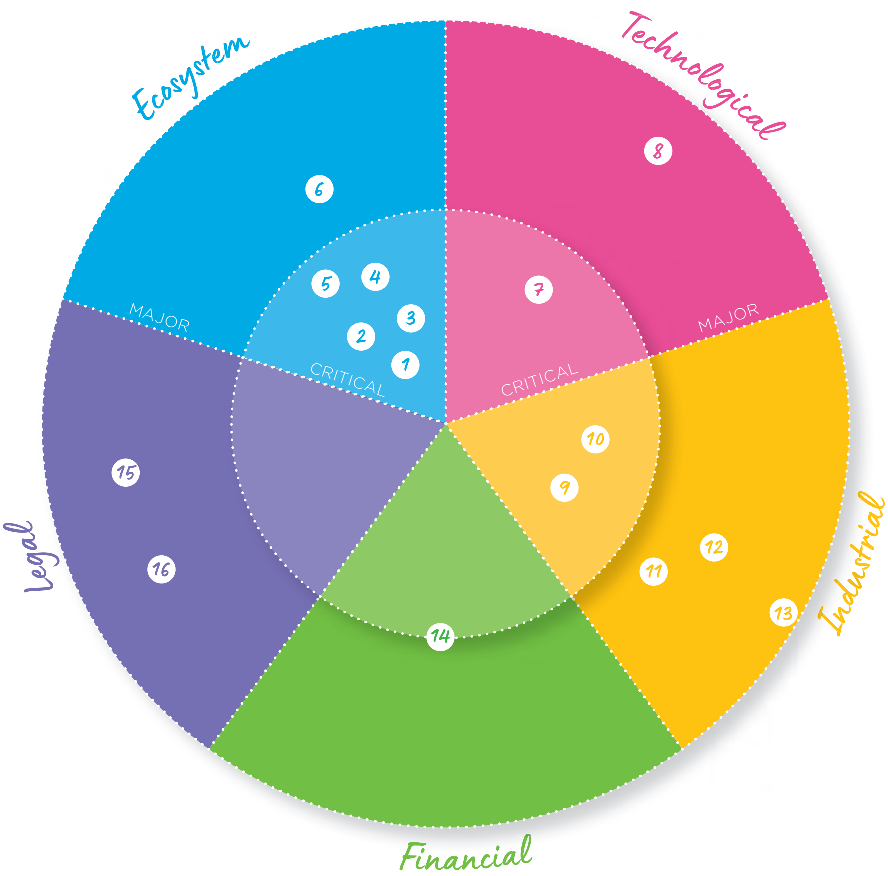
9 Limited number of suppliers
10 Raw materials shortage
11 Supply structure with bulk suppliers
12 Production capacity
13 Production shutdown

FINANCIAL RISKS

14 Exchange rates

LEGAL RISKS

15 Intellectual property
16 IT and data



The risk factors related to our CSR challenges are presented separately in Chapter 3 of the 2018-2019 Registration Document, in accordance with the requirements of the extra-financial performance statement.

In each of the five risk categories, risks are identified according to the level of criticality assessed during the risk mapping process, using the following caption:

Critical > 10 — **Critical risk**

Major 5 - 9 — **Major risk**

Moderate 3 - 4 — **Moderate risk**

Low < 3 — **Low risk**

2
Unique technologies

2
Areas of expertise

4
Mass markets

1.

Presentation of Soitec and our businesses

1.1 ABOUT SOITEC

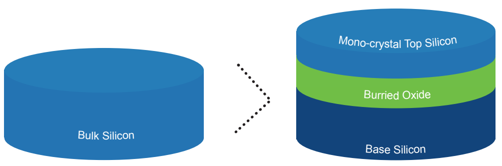
We are a world leader in designing and manufacturing innovative semiconductor materials. We develop and produce engineered wafers that are used by our customers as the substrate on which microelectronic devices are built to manufacture chips that go into smartphones, automobiles, datacenters, could infrastructure and the connected objects of the Internet of Things (IoT) – powering your world.

*Our wafers are thin slices of semiconductor materials (less than 1 mm thick)
Our innovative substrates are available in 150-mm, 200-mm
and 300-mm diameter wafers.*

Semiconductor materials are the foundation of electronic circuits. By offering unique and competitive solutions, improving performance and reducing energy consumption, our engineered substrates play a key role in fueling innovation in the microelectronics industry.

Our Company was founded 27 years ago in Grenoble's (France) high-tech innovation ecosystem and our presence now extends throughout the world. Our flagship product range called SOI (for Silicon-on-Insulator) is engineered from bulk silicon wafers which we purchase from silicon manufacturers.

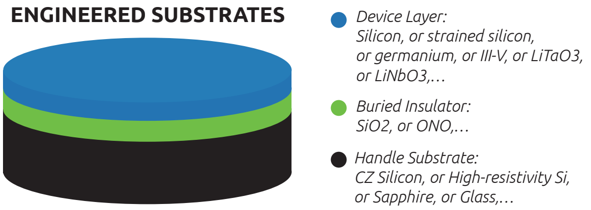
› Diagramatic representation of a wafer



Bulk silicon wafer | *Engineered silicon wafer – SOI type*

Using our advanced technologies, we create engineered substrates in our state-of-the-art wafer fabrication units (fabs). Thanks to our material engineering expertise, we are able to assemble layers of materials (silicon or non-silicon) with different properties into one functioning body to develop engineered substrates. Each material has its own specific intrinsic properties. For that reason, assembling different materials into one functioning body is a technological challenge.

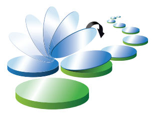
› Various engineered substrates options available



Several material & layer thickness options exist to meet industry-specific challenges with engineered substrates

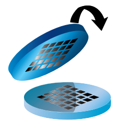
We then sell our engineered substrates to semiconductor foundries and Integrated Device Manufacturers (IDMs) worldwide for them to develop the most cutting edge products.

Over the years, we have developed several processes to engineer substrates at atomic level precision and manufacture them in high volumes. Our toolbox of innovative semiconductor engineering solutions includes the Smart Cut™ and Smart Stacking™ technologies, as well as epitaxy.



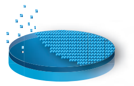
SMART CUT™

Atomic scalpel based on wafer bonding and layer splitting technologies allowing manufacturing of Silicon-On-Insulator (SOI) and compound engineered substrates.



SMART STACKING™

Unique technology for low temperature transfer of thin and uniform device layers onto other wafer substrates (partially or fully pre-processed).



EPITAXY

Film deposition technique in which a thin crystalline layer is grown onto a crystalline substrate. Combination of epitaxy process with Smart Cut™ and Smart Stacking™ technologies creates a wide variety of engineered substrates for semiconductor applications.

1.1.1 SMART CUT™ TECHNOLOGY

Our proprietary Smart Cut™ technology is the most famous technology of our portfolio as we use it to manufacture all our SOI wafers. It works like a scalpel on the atomic scale and allows the transfer of ultra-fine monocrystalline material layers from a donor substrate to a receiver substrate via ionic implantation and molecular adhesion. It stretches the traditional limits of depositing layers between metals while providing total control of thickness uniformity for the various layers at the atomic mesh.

Our Smart Cut™ technology is protected by hundreds of patents and our vast industrial experience. This allows us to offer circuit manufacturers competitive and differentiated alternatives to traditional bulk silicon, and to enable performance gains, reduced energy consumption and lower manufacturing costs due to the retention of a simplified device architecture.

1.1.2 SMART STACKING™ TECHNOLOGY

Smart Stacking™ is a process for transferring thin and uniform device layers (partially or fully pre-processed) onto other substrates. It can be used to transfer etched and partially etched wafers onto other components. For example, it can be used to manufacture silicon transistors and then transfer them onto sapphire. Finally, this technology makes it possible to use 3D stacking to create several layers of components, thereby increasing the density of the resulting device. It is compatible with a wide range of substrates and is also used for the fabrication of back-lit sensors and radio-frequency sensors.

1.1.3 EPITAXY

We are also recognized for our know-how and expertise in epitaxy – a process allowing the growth of semiconductor material layers on compound semiconductors or insulator substrates.

Our mission is "to design and deliver innovative substrates to enable our customers' products shaping everyday life". To deliver on our ambition, we work with partners across the entire semiconductor ecosystem from the very early stages of product development. We already succeeded in developing an industry standard with our RF-SOI product. Today, 100% of smartphones contain our RF-SOI engineered substrate and we are working with industry leaders to define new industry standards for 5G, automotive, datacenter, cloud and mobile telecommunications infrastructures as well as IoT devices segments.

1.2 MARKETS

1.2.1 SMARTPHONES

Over the years, we have moved from simple text messages to photos and live video streaming on our smartphones. These new features require energy-efficient chips to compute the increasing amount of data on the one hand and to extend battery life on the other hand. In addition, a small form factor must be kept as consumers want pocket-sized devices. They also want reliable connectivity to ensure a smooth utilization. The front-end module of a smartphone plays a key role in reaching these performance levels.

At Soitec, we offer a wide range of engineered substrates addressing the various requirements of the smartphone market. We are also working with international partners to develop future standards of the industry.

In 2019, we were the first materials supplier to join the Global TD-LTE Initiative (GTI), the leading global cooperation platform representing major mobile network operators and chip makers promoting the advancement of TD-LTE as a global 5G standard.

Tomorrow with 5G, increased data speed will also allow vehicle-to-vehicle communication, virtual reality, smart home and more.

1.2.2 AUTOMOTIVE

The automotive sector is going through profound changes.

New mobility trends, the addition of ever more driver assistance features (such as self-parking cars or anticipatory braking) and fully autonomous cars are driving increased semiconductor content. Over the next decades, it is predicted that more than 100 million cars around the world will have autonomous-driving features and simultaneous connectivity, both vehicle-to-vehicle and vehicle-to-infrastructure.

By then, electronic content is expected to reach 30% of the toal bill of materials.

Whether it is with FD-SOI (Level 3+ autonomous driving, infotainment, radars), with Power-SOI (in-vehicle networking, gate drivers, class D audio amplifiers), RF-SOI (connectivity), InGaNOS (in-vehicle display), GaN (sensors) or with GaN/SiC and GaN Power (on-board charger), our engineered substrates will keep fueling automotive innovation.

1.2.3 DATACENTERS, CLOUD AND MOBILE TELECOMMUNICATIONS INFRASTRUCTURES

With the mobility era, many services are moving to the cloud. From email and file sharing to applications such as car sharing and fitness tracking, more and more computing functions are relying on the efficiency and speed with which datacenters process data. Optical technology gives next generation datacenters the fast transmission speeds that they need.

Datacenters are a collection of thousands of server racks, all interconnected with high-data rate cables. These datacom links require optical transmission to support data rate and reduce power consumption.

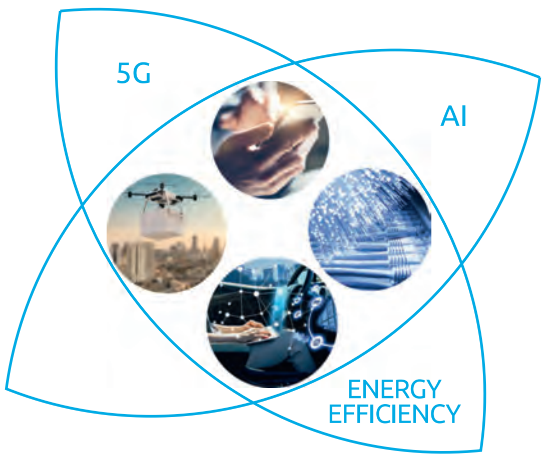
Our Photonics-SOI wafers enable standard CMOS fabs to produce optical transmitter and receiver chips, that provides high-data rate and cost-effective solutions for datacenter interconnections enabling the most advanced 400 GbE devices.

1.2.4 INTERNET OF THINGS (IOT)

We live in a world of data, where light, sound, temperature, location, accelerations, vibrations… in short virtually any data point is being captured by an increasing amount of devices. As intelligence is developing on the edge of the network (closer to the data generation point), these devices are becoming smarter and smarter.

Adding computing capabilities on the edge of the network calls for energy-efficient chips in order to ensure maximum battery life.

Our product portfolio is very-well suited to meet the needs of this growing market. For example, GPS chips from Sony built on our FD-SOI substrate have conquered the smartwatch vertical as they offer from 35 hours of autonomy with GPS navigation on, to over five days of autonomy in standard mode.



1.3 STRATEGY

1.3.1 IMPLEMENTING OUR VISION

Our vision: "To be recognized as a leader in innovative semiconductor standards for products shaping the future".

For almost thirty years, we have been innovating and working to define industry standards with a view to accelerate mass adoption of technological breakthroughs. Our strategy is simple, yet robust. It consists in:

- protecting our core business (engineered substrates);
- extending our core business activities (via organic growth or mergers-acquisitions);
- strengthening our foothold on adjacent markets.

It is based on:

- a flexible operating model;
- a global sales and manufacturing network.

The strategy we have devised aims to profitably accelerate the adoption of our products via partnerships and investments in the value chain, in addition to our R&D efforts.

1.3.2 INNOVATION STRATEGY

1.3.2.1 Innovation in our DNA

With more than 3,500 patents worldwide, our strategy is based on disruptive innovation to answer our customers' needs for high performance, energy efficiency and cost competitiveness.

Our innovation strategy is based on:

- the close connection between R&D and product definition to develop new technological solutions;
- the development and industrialization of products with high added-value to meet market needs.

We dedicate a significant portion of our revenue to develop groundbreaking manufacturing processes and improve current ones. Our strategy is in line with the industry's technological innovation.

More Moore (scaling)

Moore's law is a law in the semiconductor industry according to which the number of transistors on a chip is set to double every 18-24 months to increase its speed and power through components miniaturization.

FD-SOI offers a path for planar transistor scaling down to 7nm.

It offers outstanding low power digital performance thanks to body bias (one technology node gain in terms of energy efficiency compared to the equivalent FinFET node), and has the capability to integrate memory and advanced RF on chip and analog. Moreover, FD-SOI has the intrinsic benefit of offering high reliability (soft error rate), which is particularly advantageous in automotive, industrial, and space applications.

Integration (stacking)

As miniaturization has become increasingly difficult and extremely costly, the microelectronics industry is now working on vertical integration.

This involves the integration of functionalities via the stacking of fine layers, creating an architecture for three-dimensional circuits. This may help meet current and future challenges of digital circuits, particularly in terms of performance, functionality and energy consumption.

Our technologies relating to the transfer of thin films give us a major strategic advantage. These are perfectly adapted for use in 3D integration. 3D integration is also an important part of our R&D as we know it has great potential both in the medium- and long-term.

More than Moore (functional diversification)

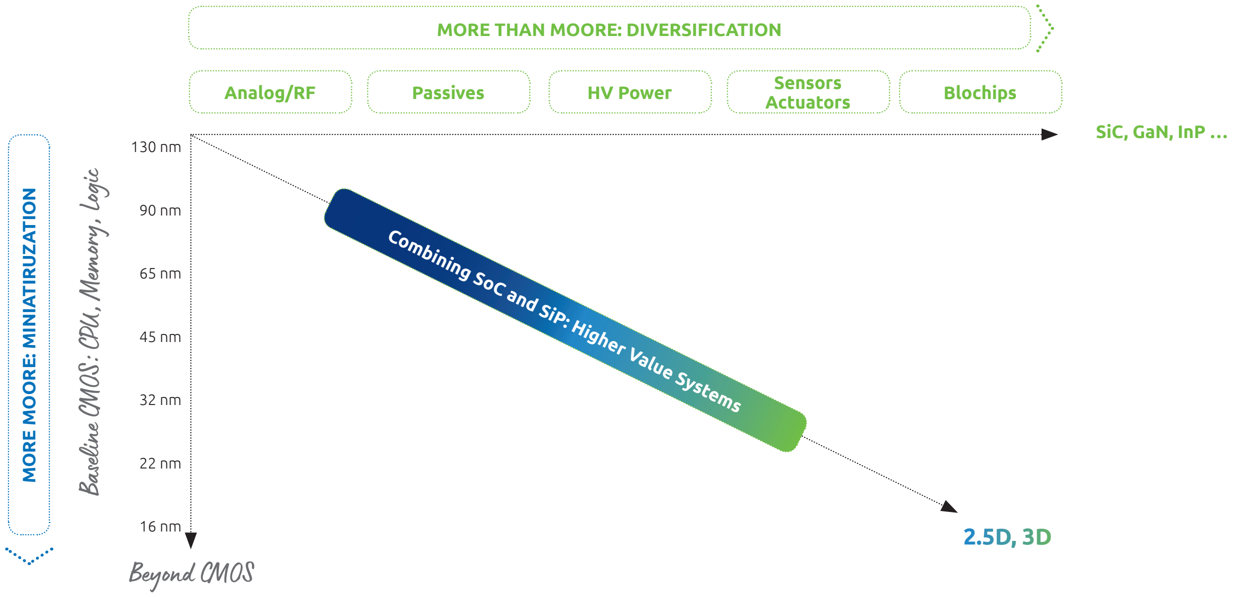
For several decades, device miniaturization and cost reduction have prevailed, in line with Moore's law. This is no longer the case today. Advanced nodes no longer generate the expected cost benefits as R&D investments in new lithography solutions and devices below 10 nm nodes are soaring. In this context, the functional diversification (including the heterogeneous integration of materials such as silicon, III-V compound materials or piezoelectric materials) has become an alternative solution for improving the cost/performance ratio. Today, 5G is driving this change, aiming to offer various functions to consumers, wherever they may be.

To further enhance circuits functionality and manage their increasing complexity, we are developing engineered substrates capable of covering several functionalities:

- analog;
- digital;
- mixed signal (i.e. analog and digital circuits embedded on a single chip, enabling an interface between digital electronics and the real world).

For instance, our FD-SOI substrate is a unique silicon platform offering unrivalled integration of digital and radio-frequency functionalities, meeting the needs of the industry for reduced area, competitive cost and energy efficiency. It is very well suited for 5G applications and the IoT.

› *Three main directions for innovation*



1.3.2.2 A worldwide patent portfolio to maintain our competitive advantage through differentiation

Our worldwide innovation strategy is backed-up by a portfolio of around 3,500 patents whose average age do not exceed five years. We file over 250 patent applications each year and are regularly one of France's top 50 patent filers, alongside very large industrial groups.

Our Smart Cut™ technology is protected by several hundred patents.

These patents either pertain to the successive improvements made to extend this technology to new products; to improvements made during certain production stages; or to cost optimization within the production process. We also file numerous patents each year on advanced and innovative substrates and other proprietary technologies.

In addition to our portfolio of proprietary patents, we license patents from our industrial and research partners, thereby strengthening the protection afforded to our key technologies. This proactive industrial property business is intended to protect the unique nature of our technologies, which we can then make available to our licensees in the framework of technology transfers.

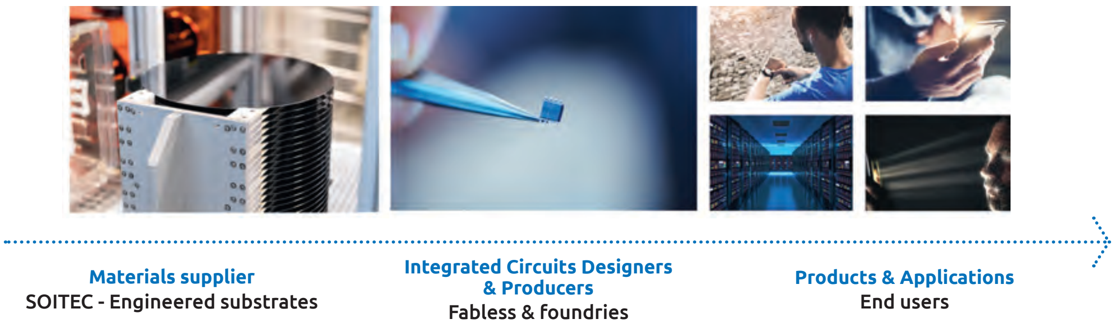
1.3.3 DEVELOPMENT OF OUR CORE BUSINESS TO ACCELERATE ADOPTION

1.3.3.1 Strategic collaborations across the semiconductor value chain

We have established a unique competitive position in the semiconductor industry by developing partnerships throughout the value chain.

This position allows us to get access to early-stage technology innovation targeting consumer, IoT and the automotive segments and applications, through regular engagements with world-class research centers, global OEMs and innovation platforms. We amplify the benefits of those interactions through active participation in worldwide professional initiatives and groupings such as the Global Semiconductor Alliance (GSA), SEMI and the SOI Industry Consortium with a view to accelerate innovation and deliver technological breakthroughs to the market and our customers. We develop and grow robust products roadmaps with our customers for them to competitively address the mobility and connected intelligence goals.

› *Working with the entire value chain to develop and manufacture the foundation of electronic circuits today and tomorrow*



1.3.3.2 Developing our core business (engineered substrates) to strengthen our leadership

EpiGaN – A strategic addition to our RF and Power product portfolio

EpiGaN is a leading European supplier of Gallium Nitride (GaN) epitaxial wafer (epi-wafer) materials. The start-up was founded in 2010 as a spin-off from Imec and is recognized in the industry for its expertise in GaN technologies. EpiGaN's GaN products are used primarily within RF 5G, power electronics, and sensor markets, with the total addressable market of GaN technologies estimated to be between 500,000 to 1 M wafers per year within five years.

GaN technology is gaining significant traction in RF and power markets. GaN epi-wafers represent a natural strategic fit with our current portfolio of engineered substrates, extending and complementing our offering beyond silicon to create new value-added process solutions for both RF 5G and power systems.

1.3.3.3 Expansion beyond our core business to accelerate adoption of our products

Frec|n|sys – Development of advanced radio-frequency (RF) filters and sensors for high-end applications

Headquartered in France, Frec|n|sys develops and conducts validation of prototype devices based on Piezoelectric-on-Insulator (POI) substrates.

Those advanced piezoelectric substrates are used today to manufacture acoustic wave devices (sensors, filters) for communication, as well as devices and systems for industrial and automotive applications.

The acquisition of Frec|n|sys in October 2017 helped us to accelerate the development of advanced POI substrates for RF filters thanks to their expertise in piezoelectric substrates characterization (evaluation of the interaction between substrate and devices) and access to their prototyping line.

Dolphin Design (formerly Dolphin Integration) – Development of a robust intellectual property library for FD-SOI

In August 2018, our Group created a new company, Dolphin Design (with a 60% equity holding, the remaining 40% being held by MBDA), which took over certain assets and liabilities of Dolphin Integration (refer to the notes on the consolidated financial statements for further details).

Dolphin Integration was founded in 1985 and headquartered in Grenoble. It was an industry recognized provider of semiconductor design, silicon Intellectual Property (IP) and System-on-Chip (SoC) solutions for low power applications.

The combination of our expertise and that of Dolphin Integration aims to increase the availability of low power IP, leveraging our unique Adaptive Body Bias (ABB) solution to accelerate adoption of chips designed on FD-SOI.

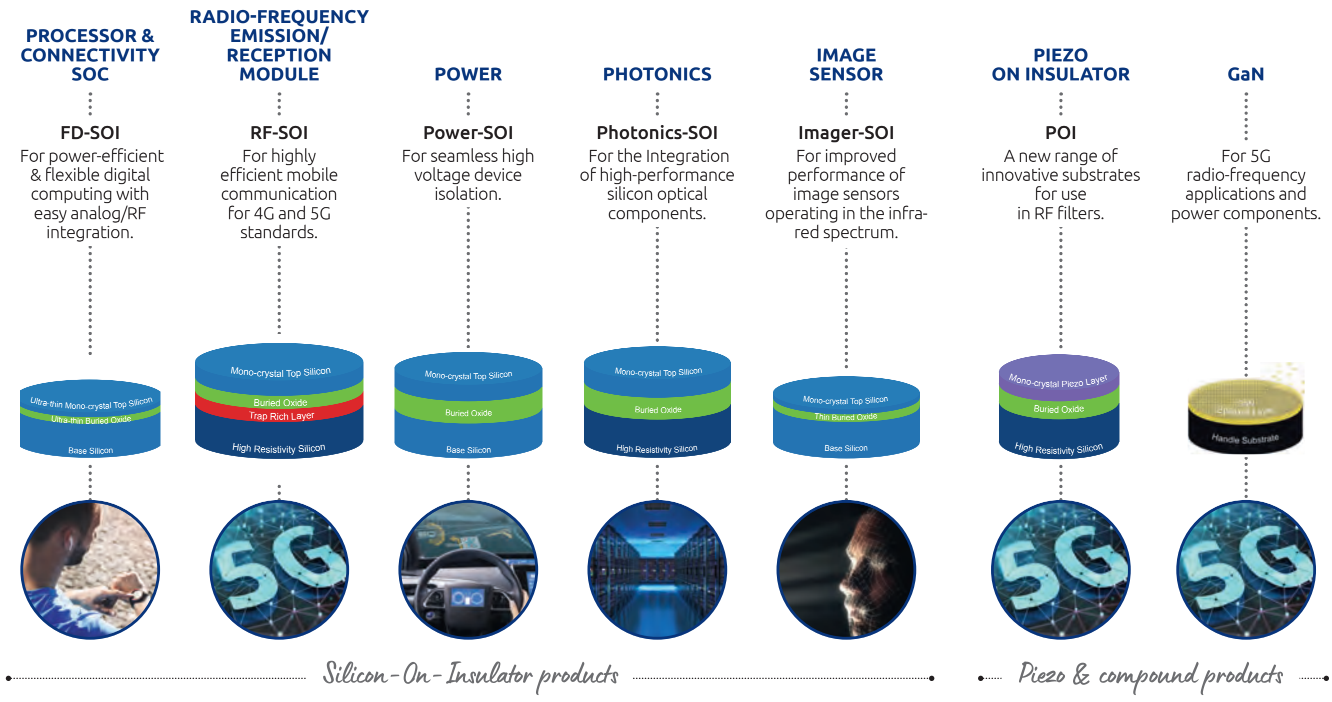
› *Expanding our leadership in engineered substrates*

1.4 ACTIVITIES

1.4.1 PRODUCTS

Our toolbox of technologies **(Smart Cut™, Smart Stacking™) and our material engineering expertise (compound materials, epitaxy)** provide the electronics industry with new opportunities for innovation and differentiation in growing and emerging fields, while adding tremendous value to end consumer's products. Using these, we have developed a full range of engineered substrates to meet the needs of multiple segments and applications.

› *An extensive range of engineered substrates can be obtained from our Smart Cut™ technology*



RF-SOI

Over the past few years, our Radio-Frequency Silicon-On-Insulator (RF-SOI) product line has become the reference technology. It is used to build many components of ***smartphones***' front-end modules. RF-SOI content is increasing with each new product generation as more devices and higher performance is required in the front-end module.

Smartphones are integrating very diverse functions, including radio emission and reception, digital processing, memory, audio, battery management, camera and display. The front-end module enables RF signal transmission and reception between a cellular phone and a base station.

By enabling faster and more reliable data transmission, our RF-SOI substrates are key to support the current 4G/LTE, LTE Advanced and LTE Advanced PRO networks, as well as the deployment of the new 5G network. RF-SOI is a unique platform to integrate the many components of smartphones' front-end modules, thus offering benefits both in terms of cost and area to our customers. In addition, it provides unrivaled interference isolation and signal integrity (which is key to avoid drop calls), offering very high levels of performance.

The RF-SOI product family entails RFeSI and HR-SOI wafers. Our product portfolio and roadmap address the full spectrum of performance requirements and our substrates are compatible with the standard CMOS processes our customers use to develop chips. Key supply contracts are in place with the main RF-SOI foundries.

Growth drivers for RF-SOI in smartphones' FEM include:

- 5G telephone sub-6GHz RF FEM;
- base station 5G sub-6GHz massive MIMO RF FEM;
- 5G mmW integrated RF FEM (mobile and infrastructure);
- wifi and IoT RF FEM (Bluetooth, LTE Cat-M, others);
- automotive connectivity (V2X, DSRC, others) and infotainment.

FD-SOI

Our Fully-Depleted Silicon-on-Insulator (FD-SOI) substrate is a unique platform for the integration of multiple components on the same silicon die, answering our customers' needs for smaller chips.

It is a cost effective, energy efficient, and ultra-low-power solution with connectivity features to meet AI and 5G challenges. Our FD-SOI product range can be used to enhance performance in a number of applications across ***automotive, the Internet of Things (IoT), smartphones and other segments***.

FinFET CMOS technology platforms beyond 28nm offer degraded functionalities and performances regarding:

- RF/mmW integration;
- High voltage (HV) integration;
- Costs/non-recurring expenses (NRE) due to an increased number of masks count.

Planar transistor CMOS scaling beyond 28 nm is a way to maintain good RF metrics in mmW, easy integration of HV devices, and low NRE costs.

However, bulk planar CMOS technologies have very limited scalability (22 nm is maximum node), and weaker digital performance than FinFET devices. RF/mmW integration is also limited because of lack of an efficient PA integration solution.

In order to reduce the size of transistors for technology nodes below 28 nm, we are developing FD-SOI products whose monocrystalline silicon active layers (10 nm) and ultrafine oxide layers (10 nm) are extremely uniform. When built on FD-SOI, the transistor channel is formed with the thin layer of silicon above the oxide layer and the buried oxide layer curtails the flow of electrons between the source and drain, naturally reducing leakage current – ultimately improving power consumption and performance of circuits. FD-SOI technology makes it possible to manufacture high-speed and low-voltage transistors in high volume, in order to meet the needs of consumers who want intelligent devices with a long battery life, thanks to new generations of integrated circuits.

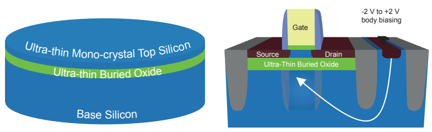


Diagram of an FD-SOI wafer (left)
Diagram of an FD-SOI transistor (right)

We have pioneered the development of the FD-SOI wafer technology and today, we estimate our market share for these products to be above 90%. We have secured this market position thanks to key supply contracts with the two leading FD-SOI foundries (Samsung and GlobalFoundries).

Power-SOI

Our Power-SOI product allows the integration of high-voltage and analog functions in intelligent, energy-efficient and highly reliable power IC devices, for ***automotive and industrial markets***.

Our Power-SOI products provide excellent electrical isolation and are perfect for integrating devices operating at different voltages (from a few volts to several hundred volts) while reducing chip size and improving reliability.

These wafers are ideal for applications such as CAN/LIN transceivers, switch mode power supplies, brushless motor drivers, LED drivers, class D audio amplifiers.

Photonics-SOI

Our Photonics-SOI wafers enable standard CMOS fabs to produce high-speed optical transmitter and receiver chips, providing high-data rate and cost-effective solutions for ***datacenter*** interconnections of 40 GbE, 100 GbE and beyond. SOI offers a unique structure enabling the integration of optical devices on CMOS platforms. SOI is the foundation of high-end silicon photonics devices and has a direct impact on final optical performance.

Imager-SOI

Our Imager-SOI substrate is designed specifically for fabricating front-side imagers for near-infrared (NIR) applications including advanced 3D image sensors that are used for ***facial recognition, as well as augmented and virtual reality applications***.

We continue to expand our engineered substrates offering to support new applications and fast-growing segments like automotive, edge computing, AIoT and 5G with:

- **new generations of SOI** (Silicon-on-Insulator) products;
- **POI** (Piezoelectric-On-Insulator) substrates for RF Filters in ***smartphones***;
- **InGaNOS** substrates designed for the manufacture of full-color micro-LED displays for ***automotive*** and the ***IoT***;
- **GaN epitaxial wafers** for the deployment of ***5G infrastructure*** and for ***power applications***.

POI

The creation of the next generation of advanced 4G and 5G mobile networks involves the development of new features and technologies by operators and phone makers. As the foundation of electronic circuits, new materials are required to ensure that devices can work effectively and reliably in their new environment: higher frequency bands, bands with larger bandwidth, increased amount of bands, band combination to support the different carrier aggregation modes and Multiple-Input Multiple-Output (MIMO).

Consequently, the front-end module is going through a profound evolution and it provides a strong opportunity for new filters built on our POI substrates. More precisely, our POI substrates will allow integrated components such as antenna multiplexers and filter multiplexers or higher performance filters to become mainstream. We expect a large adoption of POI substrates in the coming years.

Our POI product will allow front-end module makers to better respond to the strict 4G advanced and 5G sub-6GHz requirements by improving bandwidth and coverage for smartphone users. Our POI substrates allow the manufacturing of better performance and more integrated surface acoustic wave (SAW) filter components to meet the stringent requirements of the new network features. Those filters are then integrated in smartphones' front-end modules along with the power amplifiers, switches and antenna tuners devices that are already manufactured using our RF-SOI substrates.

Our POI products are made of a thin layer of piezo material (today Lithium Tantalate) on top of the oxide layer, and a high resistivity silicon substrate. This structure gives filter designers access to a material with a better coupling factor (k^2) and with a lower thermal expansion coefficient. It will enable them to design resonators with higher quality factor and higher frequencies, larger bandwidth filters, and with very low temperature sensitivity. Our POI substrates also offer the ability to integrate multiple filters on the same die.

InGaNOS

InGaNOS is an innovative relaxed InGaN engineered substrates for red-green-blue (RGB) µLEDs applications. A pixel requires three LEDs (red, green and blue) to function. Up until now, green and blue LEDs could be built on the same substrate, but with a low efficiency for the green LED. In addition, a specific material was required to build a red LED. Thanks to our materials engineering expertise, we are able to offer a unique technology of relaxed InGaN patterns targeting high efficiency red & green microLEDs, down to micrometer-scale, to ultimately produce red, green and blue µLEDs on the same wafer.

GaN epitaxial wafers

The expansion of our product portfolio into Gallium Nitride (GaN) technology strengthens our position in RF and Power markets. It allows us to offer our customers a unique and comprehensive portfolio of solutions for 5G New Radio (NR) (1) for both 5G mmW base station & telephones.

Today there are three major trends accelerating semiconductor innovation: 5G, Artificial Intelligence (AI) and energy efficiency.

5G is the next generation of mobile network. It has been designed to ensure exceptional communications reliability thanks to the following characteristics: high data throughput, very high user density, and less than 5 ms of network latency. Both people and machines will thus benefit from omnipresent connectivity, opening the way for applications such as remote surgery and autonomous driving.

AI is increasingly being integrated in consumer systems such as smartphones and virtual personal assistants, and to some extent in the automotive segment as well. Specialized chips with greater processing power, higher bandwidth, faster performance and reduced latency are being developed for applications using AI.

Today, millions of smart objects are revolutionizing our lives. They collect colossal quantities of data, for which processing is increasingly based on AI. These objects need efficient energy sources in order to carry out the required tasks over longer and longer periods of time. Energy efficiency is a decisive factor with regard to maximizing the potential of 5G and AI. For the same processing power, where previously cooling units large enough to fill an entire room were required, the equipment now fits in your pocket. For all these reasons, the future is very bright for energy efficient technologies such as the FD-SOI technology.

Semiconductors are the driving force behind development and deployment of 5G, AI and energy efficiency. By pushing back technological boundaries, our engineered substrates enable the deployment and adoption of 5G and AI accross various application, thus accelerating our growth.

1.4.2 MANUFACTURING

BERNIN 2 + PASIR RIS	BERNIN 1 + SHANGHAI	BERNIN 3
TOTAL 300-MM CAPACITY 0.9 M wafers/y. by FY20	TOTAL 200-MM CAPACITY 1.3M wafers/y. by FY20	TOTAL 150-MM CAPACITY Potential of 0.4M wafers/y

We have manufacturing facilities, R&D centers and offices in Europe, the USA and Asia to serve our worldwide customers. Our manufacturing model is agile and scalable – tailored to support profitable growth. We focus on operational excellence and seek to create value for all our stakeholders.

We deliver highly differentiated solutions to the marketplace – pushing the limits of semiconductors to drive advances in consumer and industrial applications. Engineered substrates are growing into a multi-billion-dollar market and today, as well as tomorrow, we will capture a significant share of this market.

We have over 8,800 m² of cleanrooms spread across three facilities in France, Belgium and Singapore.

(1) The new air interface being developed for 5G to support the wide variety of services, devices and deployments 5G will encompass.
** High Volume Manufacturing.*

France

Our Bernin 1 fab (200-mm production) operates at full capacity. Compared with March 31, 2018, capacity in Bernin 1 increased by over 50,000 wafers to reach 950,000 wafers per year.

Capacity utilization of our Bernin 2 plant (300-mm production) has exceeded an average of 90% by the end of FY19. Production capacity in Bernin 2 reflected changes in the product mix, with PD-SOI reaching the end of its life cycle, and FD-SOI, Imager-SOI, Photonics-SOI and RF-SOI products growing during the fiscal year 2017-2018 to reach a yearly production of 650,000 wafers. Bernin 2's capacity for the refresh of 300-mm donor wafers to produce new finished 300-mm wafers amounts to 300,000 units per year. Driven by strong demand, we are in the process of expanding our Bernin 2 wafer fab to offer additional capacity (from 650K to 1,000K wafers per year).

Our Bernin 3 production line has a potential of 400,000 wafers per year. It received the ISO 9001 certification in March 2019.

Singapore

Since the launch of our pilot line in September 2017, a production capacity of 80K wafers per year has been installed and qualified for both RF-SOI and FD-SOI products. Ramp-up of our SOI products in Pasir Ris is underway and capex is budgeted in FY20 to increase capacity up to 240K wafers per year and eventually 1 million.

In addition, the epitaxy process for the production of our RF-SOI products in Pasir Ris and Bernin 2, is now qualified and running 24h/7d. The same milestone was achieved for our refresh operations. They are now qualified and running 24h/7d to support wafer fabrication in Pasir Ris and Bernin 2.

Our Pasir Ris fab received the ISO 9001 certification in April 2019.

Belgium

The total annual production capacity for the manufacture of GaN-on-Silicon (GaN-on-Si) and GaN-on-Silicon carbide (GaN-on-SiC) epitaxial wafer materials in our Belgium wafer fab is set to increase gradually. These products are sold to integrated device manufacturers for them to build high performance power and RF devices.

Production partnership in China

In 2015, we entered into a partnership with the Chinese company Shanghai Simgui Technology Co. Ltd. (Simgui) for 200-mm wafer production (see our press release dated May 26, 2014). This partnership constituted an important step for us to secure worldwide production capabilities, establish a SOI ecosystem in China and confirm the standardization of our proprietary Smart Cut™ technology across the industry.

This partnership entitled Simgui to manufacture 200-mm SOI wafers using our Smart Cut™ technology and granted them the exclusive right to market, distribute and sell those 200-mm SOI wafers in China, but not anywhere else in the world.

Two years later, after the qualification of Simgui's site by leading key customers, we announced the start of mass production of 200-mm SOI wafers in China.

In February 2019, in order to accompany the growing global market for RF-SOI products for smartphones and that of our Power-SOI products, we announced the strengthening of this partnership. As part of this, we increased the annual production capacity of 200-mm silicon-on-insulator (SOI) wafers from 180,000 to 360,000 units at Simgui's manufacturing facility in Shanghai. One month later, we announced the opening of a direct sales operation in China.

For our local customers, this means that they can benefit not only from direct contact and a support relationships with our local team but also from access to our global technical expertise and network across engineered substrates to address the full range of applications for China's growing electronics markets.

In 2019, we were the first materials supplier to join the China Mobile 5G Innovation Center, an international alliance chartered to develop 5G communication solutions for China. Both silicon and non-silicon engineered substrates are essential in bringing to mass deployment 5G mobile communications for applications including self-driving cars, industrial connectivity and virtual reality.

1.5 CUSTOMERS

We work closely with our customers to define product features, performance and timing of new products so that the products we develop meet our customers' needs. We also employ application engineers to assist our customers in designing, testing and qualifying system designs that incorporate our products. We believe that our commitment to customer service and design support improves our customers' time-to-market and fosters relationships that encourage customers to use the next generation of our products.

We recently re-shaped our organization to meet rapidly changing customer and market requirements and better support the long-term growth of engineered substrates.

Up until April 1, 2019, our business was organized around two units named *Communication and Power* on the one hand and *Digital* on the other hand.

The Communication and Power Business Unit was accountable for the development of our RF-SOI and Power-SOI product lines, as well as compound semiconductor materials. The Digital Business Unit focused on FD-SOI, Photonics-SOI and Imager-SOI.

For several years now, the breakdown of our Group's revenue from electronics has been shifting.

This is accompanying the transition of the electronics market toward mobile applications, such as telephony and the Internet of Things, and the strengthening of semiconductor content in certain areas, such as the automotive and industrial sectors.

PD-SOI products are reaching the end of their life cycle: for fiscal year 2018-2019, these represent 6.7% of our revenue, compared with around 75% up until 2011-2012.

Several of our product lines offer strong growth opportunities:

- **RF-SOI products:** sales of wafers for RF applications have increased from around 10% of our turnover in fiscal year 2011-2012, to nearly 47% in 2018-2019. These meet the increasingly complex requirements of radio-frequency functions;
- **Power-SOI products:** sales of wafers for analog applications in power semiconductors have also made progress. These are based on the growing need for significant reliability, energy efficiency, and a good efficiency/cost ratio for integrated issuer-receiver circuits for the automotive industry, industrial applications, and consumer goods;
- **FD-SOI, Imager-SOI and Photonics-SOI products:** sales of these products in 300 mm have made regular progress from quarter to quarter.

As far as the proportion of 200-mm/300-mm sales in the turnover recorded by our Group is concerned, please note that:

- demand has remained high for sales of 200-mm wafers, with growth of +15% for the fiscal year 2018-2019 year on year; and
- the proportion of 300-mm wafers sold has continued to grow, reaching 46% of our turnover for fiscal year 2018-2019 compared with 34% for fiscal 2017-2018.

The following tables can be used to assess the change in the breakdown of revenue by region, customer, and wafer size.

› Geographic breakdown of revenue from the Electronics division (incl. the Digital and Communication & Power Business Units)

	2018-2019	2017-2018	2016-2017
United States	19%	25%	22%
Europe	44%	41%	46%
Asia	37%	33%	33%

› Breakdown of revenue by customer

	2018-2019	2017-2018	2016-2017
Top five customers	56%	57%	60%
Customers 6 to 10	28%	25%	26%
Others customers/royalties	16%	18%	13%

Our five largest customers for fiscal year 2018-2019 were GlobalFoundries, STMicroelectronics, TowerJazz, UMC, and NXP Semiconductors.

Leading public FD-SOI adopters include Samsung, STMicroelectronics, NXP, Sony, Lattice, Synaptics, Rockchip, Mobileye and Renesas. In addition, two pure-play foundries - Samsung and GlobalFoundries - have adopted FD-SOI.

1.6 COMPETITION

We are the leading manufacturer and supplier of SOI wafers for thin films (thin SOI as opposed to thick SOI). We were pioneers in manufacturing SOI wafers using the Smart Cut™ technology. Today, we believe that virtually 100% of the SOI wafers sold worldwide are made using our Smart Cut™ technology.

Our primary direct competitor is the Japanese firm Shin-Etsu Handotaï, which obtained a license to use Smart Cut™ in 1997. SunEdison Semiconductor, acquired in December 2016 by the Taiwanese company GlobalWafers, also began to market SOI wafers during 2010 and entered into a licensing agreement with us in November 2013. Currently, we estimate that Soitec's market share in SOI wafers ranges between 65% and 70%.

Additional competition comes from foundries offering technologies based on bulk wafer instead of SOI wafers. For example, FD-SOI has been holding only a marginal market share in the advanced CMOS technology foundry landscape so far, but is promised to high growth and penetration perspectives because of limited capability of existing technologies to fulfill key features needed for future applications like 5G mmw, artificial intelligence at the edge, high voltage smartphone display drivers, high performance satellite ICs, next generation automotive infotainment and advanced driver assistance ICs, and ultra-low power ICs for IoT with integrated RF.

1.7 OUTLOOK

For almost three decades, we have been engineering materials at atomic levels and manufacturing them on an industrial scale to offer differentiated value to our customers. Today, our RF-SOI product can be found in every smartphone manufactured worldwide and we are working closely with market leaders on the definition of specific new standards for 5G, the automotive sector, datacenters, cloud infrastructure and mobile telecommunications and IoT applications.

Over the course of the years, we have fulfilled our commitments and set out solid fundamentals. We have forged for ourselves a position which is unique amongst our competitors in the semiconductors value chain. We reaffirm our unwavering commitment to innovation, so as to strengthen our clients' positions amongst their competitors. The production model we put in place is agile and adjustable. It enables us to respond to the growing demand for our products, while remaining consistently compliant with the strictest possible quality standards.

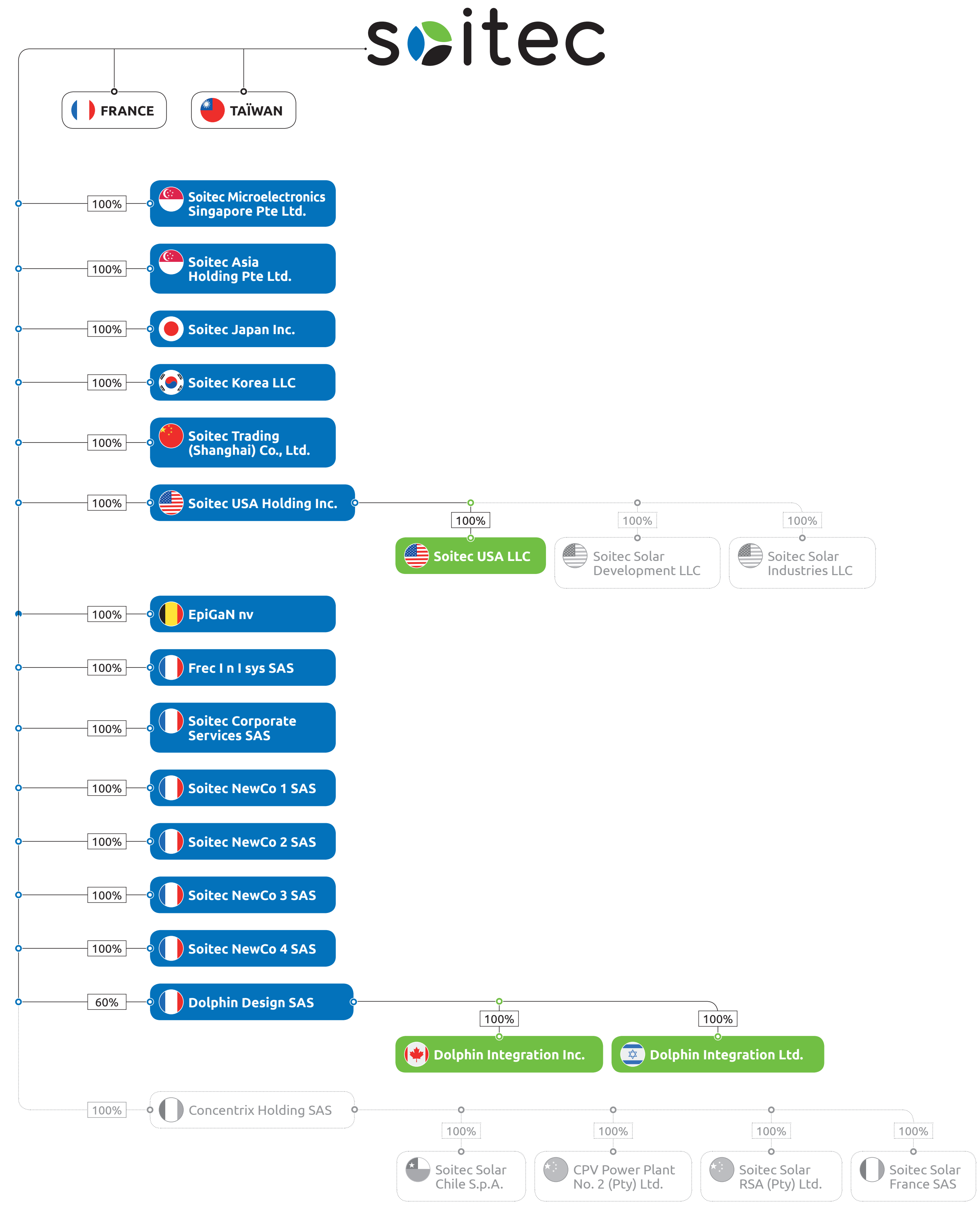
In our daily lives, all day every day, we are constantly in contact with electronic equipment which works thanks to semiconductors. We live in a world in which data is omnipresent. New technologies are necessary to collect and process this data and turn it into useful information.

With our roadmap for innovation and our product portfolio, we are pushing the envelope in terms of power, performance, integration, cost, and reliability. We are contributing to the adoption of new technologies by as many people as possible and helping make new applications such as driver-less cars a reality. Our engineered substrates are rapidly becoming the solution of choice for an increasing number of industrial partners. Whether for the development of new products (SOI and beyond) or the implementation of our current products in new equipment and applications, we consider that the market for our innovative substrates will continue to grow to reach approximately 3.5 billion by 2024.

1.8 GROUP ORGANIZATION CHART

The Organization Chart below shows our Group at June 12, 2019, the date of finalization of this Registration Document.

The percentages indicated below correspond to the percentages of capital and voting rights.



3
Levels
of internal control

16
Priority risks

4
Levels of risk

2.

Risk factors and internal control

2.1 INTERNAL CONTROL AND RISK MANAGEMENT

To meet the need to monitor and manage risks inherent to its business, our Group has set up an internal control and risk management mechanism.

It is intended to provide reasonable assurance that its risks are under control.

In this way, in accordance with the applicable standards and regulations, it contributes to the management of our activities, the effectiveness of our operations and the efficient use of our resources.

2.1.1 OUR CONTROL ENVIRONMENT

2.1.1.1 Purpose and definition

The Group's internal control environment comprises of an internal control and risk management mechanism developed on the basis of the AMF's reference framework.

This system is defined and implemented under the direction of the Group, and aims to ensure that the following objectives are met:

- the reliability and integrity of published accounting and financial information;
- the compliance with the laws and regulations to which our Company and its subsidiaries are subject to;
- the implementation of instructions and guidelines set by our Group's governing bodies; and
- the proper functioning and efficiency of its internal processes, especially those intended to safeguard its assets and holdings.

To the extent possible, the Group's goal is to ensure that the entire internal control and risk management system helps to prevent any risks facing the Group, be they operational, financial, or compliance-related in nature.

However, the Group cannot provide absolute assurance that the Company's objectives will be achieved, and that the risks of errors or fraud have been completely controlled or eliminated.

The internal control and risk management mechanism has three components:

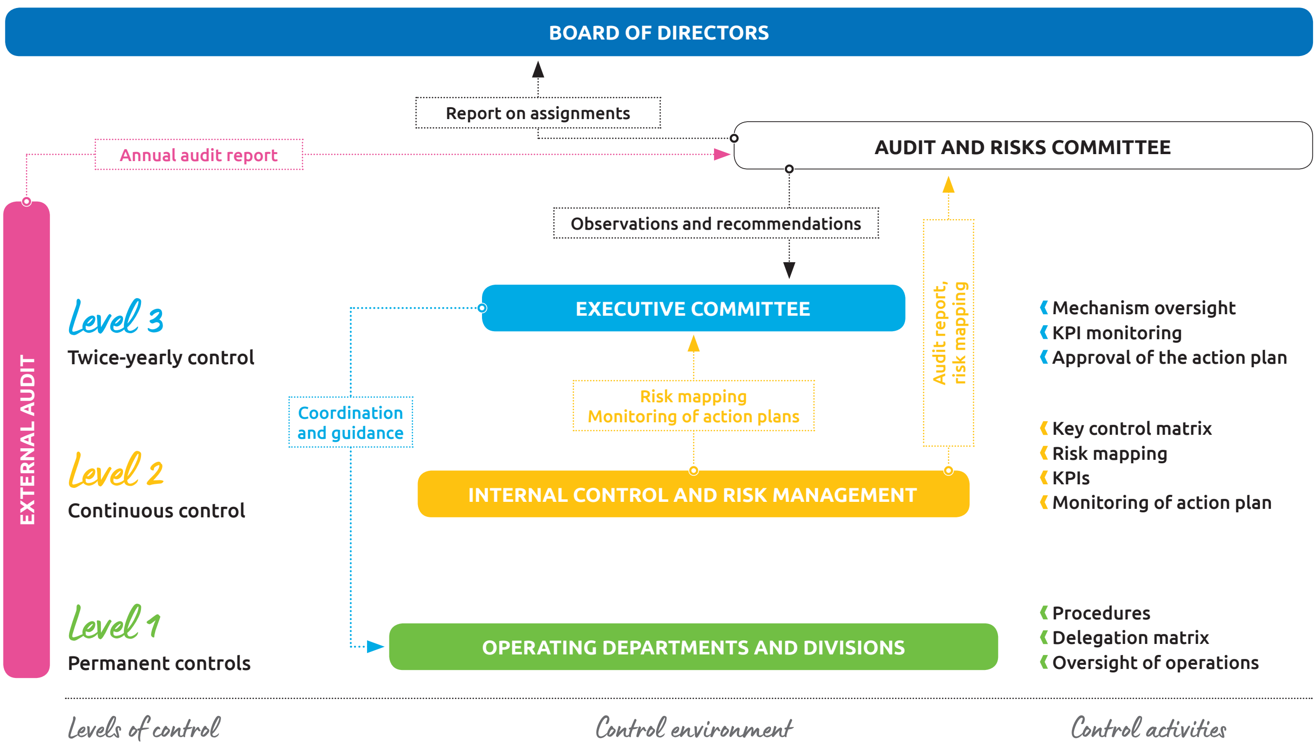
- an organizational structure that contributes to the implementation and continuous improvement of the mechanism;
- tools to help monitor and ensure that risks are under control; and
- key players who help coordinate and curb identified risks.

2.1.1.2 Internal control and risk management mechanism

The internal control and risk management mechanism comprises types of control, which can be broken down into three levels:

- Level 1: permanent controls, which are ensured by our departments and operating teams;
- Level 2: continuous controls, which assess the efficiency of the mechanism through our Internal Control and Risk Management Department;
- Level 3: twice-yearly control carried out by the Executive Committee, involving all of the Group's departments, including the Finance Department.

The organization of the internal control and risk management mechanism is described below:



2.1.2 INTERNAL CONTROL AND RISK MANAGEMENT KEY PLAYERS

The proper functioning of the internal control and risk management mechanism (whether operational, financial or compliance-related), is at the heart of the Group's organization and its management and control activities.

Controls are carried out, for each identified process, by all of our departments and employees.

The steering of internal control mechanism falls within the remit of the Executive Committee.

The Finance Department reports to the Audit and Risks Committee and to the Board of Directors on the effectiveness of the mechanism in place.

2.1.2.1 Our Audit and Risks Committee and our Board of Directors

In accordance with the AFEP-MEDEF Corporate Governance Code for Listed Companies (the "AFEP-MEDEF Code"), the Audit and Risks Committee is involved in a number of internal control and risk management initiatives, such as:

- assessing the Group's internal control systems;
- reviewing risk mapping;
- assessing internal control and risk management action plans; and
- monitoring recommendations and their follow-up actions.

In this respect, the Audit and Risks Committee issues its opinion on the internal control organization, following a review of its work schedule. Furthermore, it ensures that an identification, quantification and prevention process for the main risks generated by the Group's activities is in place.

Should it deem it appropriate or necessary, the Audit and Risks Committee provides all useful information regarding internal control or risk management to the Board of Directors.

2.1.2.2 Our Executive Committee

The Executive Committee is our Group's management and steering body.

It is therefore responsible for overseeing our Group's internal control and risk management mechanism. To this end, it draws on the work of the Finance Department, which reports to the Executive Committee on a regular basis.

The Executive Committee monitors the progress of the action plan approved by the Audit and Risks Committee, and ensures the effectiveness of the internal control and risk management mechanism.

It also ensures that major issues are identified and addressed, and approves our Group's operational and strategic objectives.

Finally, it monitors the implementation of the strategy and assesses options to ensure it is effectively rolled out, in compliance with the guidance given to it by our Audit and Risks Committee and our Board of Directors.

2.1.2.3 Our Finance Department

The Finance Department is represented on the Executive Committee by the Chief Financial Officer.

The main purpose of the Finance Department is to ensure consistent information in operational terms for the Chief Executive Officer, to whom all members of the Executive Committee report directly.

Our Chief Financial Officer is tasked with centralizing and regularly presenting all of the management, internal control and risk management indicators monitored by our Executive Management and our Audit and Risks Committee.

The Finance Department includes an Internal Control unit tasked with organizing the internal control and risk management mechanism, and which assesses and monitors its effectiveness.

As such, the Internal Control unit defines the procedures to apply, monitors the action plan in relation to the recommendations issued by our auditors and the guidance provided by our Audit and Risks Committee, and completes the formal risk mapping activity.

The Internal Control unit reports on a regular basis to the Chief Financial Officer, who is its direct line manager.

2.1.2.4 The Legal Department

The Legal Department is represented on the Executive Committee by our General Counsel.

The department handles matters relating to business law in the broad sense of the term, as well as trademark law.

It is also responsible for defining the Group's insurance policy and for underwriting and managing all insurance policies.

In addition, our Legal Department comprises a unit in charge of corporate law, finance law and stock market law. The Secretary of our Board of Directors and its five Committees is a member of the Legal Department. In this respect, she is actively involved in organizing and conducting their meetings. In particular, she ensures that matters that must be examined and/or approved, pursuant to applicable laws, regulations, the Board of Directors' Internal Regulations or the rules of good corporate governance (such as those of the AFEP-MEDEF Code), are effectively brought to the attention of our Directors and, where applicable, submitted for their prior approval and/or subsequent ratification.

The Legal Department also handles matters regarding legal and regulatory compliance facing our Group. Where required, it ensures the management, monitoring and promulgation of such issues with our Group.

Finally, the Legal Department handles pre-litigation and litigation matters involving our Group's companies. In this regard, it updates the litigation report at the end of each half-year period. In order to ensure its accuracy and completeness, this report is prepared by our Legal Department with the support of its external lawyers. Our Executive Committee and local managers at our subsidiaries also review this report in its entirety. They offer any comments they may have, which our Legal Department takes into consideration, as appropriate.

A contract approval procedure has been established. Before a contract is signed by one or more Group company, the approval of a tracking form is required. The employee responsible for the contract, a director involved in the contract and/or the head of the relevant Business Unit are involved. In addition, depending on the purpose, type, parties to and/or the amount of a contract, the Finance Department, the Intellectual Property Department and/or the R&D Director must validate the tracking form.

2.1.2.5 Our operating Departments and our employees

Our operating Departments are at the heart of the internal control and risk management mechanism. They are responsible for monitoring the policies and procedures established by our Group, in order to achieve the objectives set and ensure the effectiveness of their work.

All Group employees are first-level players in the implementation of internal control measures. Their involvement in internal control is an essential part of their work and contributes to the good level of control over our Group's activities.

Written procedures set out the controls to be carried out at critical steps in each identified process.

Our employees also contribute to the continuous improvement of the internal control mechanism by sharing anomalies or errors detected with their Department or the relevant unit.

2.1.3 THE INTERNAL CONTROL MECHANISM

2.1.3.1 Reference framework

In 2010, the AMF updated its Reference Framework document, originally published in 2007. This document forms the basis for our Group's internal control mechanism. Our Company is committed to complying with these principles when implementing its internal control mechanism.

Adopted by our Group in 2009, it applies to all entities in the consolidation scope. It has resulted in the implementation of:

- internal control procedures applicable to all entities within our Group;
- rules of access to the IT systems tailored to roles and responsibilities of our operational staff and to the principle of separation of tasks;
- rules for supervising accounting and financial operations that are identified as critical.

By formalizing these rules, we help strengthen key controls and make the internal control process more reliable, while preventing and managing major risks to which we are exposed, given the nature of our business.

Our Company has successfully completed most of the projects it initiated, aiming to bring its internal control environment in line with that of the AMF's Reference Framework.

Our internal control procedures now reflect the Group's size and the nature of its business. They meet the requirements of our managers and shareholders.

2.1.3.2 Assessment of internal controls

The assessment of our internal control system is the subject of a specific information given to our Audit and Risks Committee, during its meeting called to review the annual financial statements.

This presentation is prepared by our Internal control unit, and takes the form of a plan to monitor the actions carried out during the fiscal year. It involves identifying areas for improvement and setting objectives for the following year.

Our action plans are defined in conjunction with the internal process managers and aim to improve the internal control mechanism.

These action plans are coordinated by our Internal Control unit and are regularly reviewed by our Executive Committee.

Our internal control processes are reviewed by our statutory auditors as part of their audit review for certification of the annual financial statements.

2.1.3.3 The role of our statutory auditors

In the performance of their duties, our statutory auditors are required to:

- obtain an understanding of the organization and operation of our internal control processes;
- present their observations, if any, on the description of our internal control and risk management procedures for the preparation and treatment of accounting and financial information;
- certify that the other information to be included in our corporate governance report pursuant to Article L. 225-37 of the French Commercial Code has been prepared and reviewed.

2.1.4 RISK MANAGEMENT

2.1.4.1 Context and risk mapping

Our Company now aims to strengthen its internal control mechanism, which has been in place for several years, by presenting a risk map to our Audit and Risk Committee once a year. The goal is to establish a more systematic monitoring tool.

This risk mapping provides an analysis of the gross risk, mitigating measures and residual risk by category.

Our Company successfully redesigned its risk mapping process in 2018. As such, it has identified and developed several scenarios covering the main risks liable to impact its activities at both Group and local level.

Our Audit and Risks Committee reviewed the risk map in June 2018. An updated version was presented at its meeting held on March 27, 2019.

2.1.4.2 Methodology and assessment

Each risk is identified, analyzed and assessed using a general risk matrix.

This matrix then makes it possible to map risks by category (business, compliance, operations, R&D, finance, etc.) and by level of criticality.

There are four levels of criticality:

- critical;
- major;
- moderate; and
- low.

Method

Our risk mapping was completed with the assistance of all members of the Executive Committee. It was implemented in two stages:

- interviews with members of the Executive Committee and operating staff in order to identify the risks specific to their business activities and the measures implemented to control or mitigate them;
- an assessment of the level of criticality of each risk based on two criteria: financial impact and probability of the risk occurring.

Risk assessment criteria

The level of criticality of a risk is assessed on the basis of two criteria:

- the calculation of the financial impact based on EBITDA or share market price: scale from 1 (non-material) to 5 (critical);
- the estimate of risk probability or of occurrence: scale ranging from 1 (unlikely) to 4 (certain).

The combination of these two criteria make it possible to categorize the risks under one of the four aforementioned levels of criticality, as presented in the diagram below.

IMPACT				
1	2	3	4	5
Non-material	Low	Moderate	Major	Critical

PROBABILITY			
1	2	3	4
Unlikely	Possible	Probable	Certain
May occur at least once after 10 years	May occur once every 5-10 years	May occur once every 3-5 years	May occur at least once within 3 years

IMPACT x PROBABILITY = RISK LEVEL

Critical	> 10
Major	5 – 9
Moderate	3 – 4
Low	< 3

2.1.4.3 Review and regular reporting

The risk mapping is reviewed at least twice a year and is based on interviews held between members of the Executive Committee and operating staff.

It may also be reviewed following an external audit or specific analysis, during which new risks are identified or existing risks are reassessed.

Regular reports are provided to the Executive Committee regarding risk mapping and an annual or twice-yearly report is presented to the Audit and Risks Committee.

2.1.5 INTERNAL CONTROL PROCEDURES AND ACCOUNTING AND FINANCIAL REPORTING

Pursuant to Article L. 225-100-1 of the French Commercial Code, our Group has presented below its internal control procedures involved in the preparation and treatment of accounting and financial information.

2.1.5.1 General principles

Our internal processes for the preparation and treatment of accounting and financial information aim to ensure:

- the compliance of published accounting and financial information with applicable rules;
- the application of instructions and guidelines set by Executive Management regarding such information;
- the reliability of the information published and used internally for coordination or verification purposes, where they contribute to the preparation of published accounting and financial information;
- the reliability of the published financial statements and of information disclosed to the market;
- the preservation of its assets and holdings;
- to the extent possible, the prevention and detection of accounting and financial fraud and unlawful acts.

Our Group relies on the Finance Department to ensure the proper preparation and treatment of accounting and financial information.

2.1.5.2 Accounting and financial organization management process

Our accounting and financial organization management process is based on a structure and documented procedures that ensure the reliability and integrity of published consolidated data.

Internal control procedures are in place, and are based on a centralized control system that gathers data from our subsidiaries.

It specifically involves principles such as the separation of tasks, the supervision of critical operations, and also contributes to the prevention and detection of accounting and financial fraud and unlawful acts.

Our Finance Department

Our Finance Department plays a key role in coordinating our Group's financial and accounting organization and, in order to successfully carry out its assignments, draws on its Consolidation, Accounting, Management control, Internal Control and Communication, and Investor Relations functions.

Our Finance Department is also active at each Group subsidiary *via* an Accounting/Management control unit.

Our accounting and financial organization is integrated within the permanent control mechanism implemented by the Group. It ensures the efficiency of its organization and processes that contribute to the development and treatment of published financial data.

To this end, it implements procedures for consolidating, monitoring and managing financial information in accordance with IFRS accounting standards.

Our Disclosure Committee

The Disclosure Committee is an important component in our Group's internal control system.

It meets twice a year before the accounts are closed by the Board of Directors.

Key operating executives at our Company (including members of our Executive Committee) are presented with the key events and highlights during the period relating to the financial statements, the closing options adopted and the main judgments made.

The aim is to confirm the reliability and completeness of the financial information to be made available to the public, in particular:

- by confirming the Finance Department's correct understanding of operational matters;
- by verifying the exhaustiveness of the disputes or potential disputes examined;
- by reviewing any subsequent events.

These meetings are the subject of a written report, in which the key operational managers confirm that they have provided our Finance Department with all necessary information.

Our statutory auditors attend the Disclosure Committee.

Our Audit and Risks Committee and our Board of Directors

Our Audit and Risks Committee and our Board of Directors control and audit the process for the preparation and treatment of accounting and financial information.

Controls and verifications

Each year, the annual budget is approved by our Board of Directors, following an analysis and approval by our Audit and Risks Committee. This budget is used for the management of the economic performance of each operational unit and of our entire Group.

At each Board of Directors meeting, the Chief Financial Officer presents the Group's actual situation in comparison with the annual budget.

Closing of the financial statements

The draft half-year and annual consolidated and individual financial statements, together with the Notes, are sent to the Board of Directors and to the Audit and Risks Committee eight days before their respective meetings are called to close the financial statements.

Our Audit and Risks Committee meets prior to the Board of Directors' meeting in order to review the financial statements. The Committee members may meet with our statutory auditors or key persons in the Finance Department, without the Group's executive management being present. They may elicit their opinions on the accounting information presented, or on the effectiveness of the internal control system in place.

The financial statements, once validated by the Audit and Risks Committee, are then submitted to the Board of Directors for closing.

Furthermore, our Audit and Risks Committee studies and formulates recommendations on annual capital expenditure and exceptional expenditure. It is also in responsible for regularly reviewing the Group's main financial risks and off-balance sheet commitments.

Our Audit and Risks Committee reports on its work to the Board of Directors at least four times a year.

Our statutory auditors

Pursuant to French laws, our Group's financial statements are audited by joint statutory auditors.

Subsidiaries identified as material are audited (limited review for the half-year financial statements). Other subsidiaries are reviewed on the basis of the relevant financial aggregates, or are reviewed centrally.

Our statutory auditors present a summary of their work to our Finance Department and to our Audit and Risks Committee at each half-year and annual closing date.

Ernst&Young and KPMG were appointed for a period of six years starting from the Shareholders' General Meeting of July 25, 2016, and ending at the close of the Shareholders' General Meeting to be called to approve the financial statements for the fiscal year ending on March 31, 2022.

2.1.5.3 Process for preparing published accounting and financial information

In accordance with European Regulation 1606/2002 dated July 19, 2002, our Company has published its consolidated financial statements in compliance with international financial reporting standards (IFRS) since April 1, 2005.

Financial reporting

In accordance with stock market regulations, our Group strives to provide reliable and accurate information and to inform the public as soon as possible of any event likely to have a material impact on the market price of its financial instruments.

Financial information made available to the public is prepared by our Chief Financial Officer, on the basis of data prepared and verified by his team.

Before publication, this information is reviewed by certain key operational executives and by the Chief Executive Officer.

They are also subject to prior approval by the members of our Audit and Risks Committee and/or our Board of Directors. Directors are therefore able to make comments and suggest changes prior to publication.

At each stage of the process, the accuracy, precision and consistency of the information, as well as its prudent and reliable nature, are key points that undergo a systematic check.

All of our Company's financial documents are published on its website in the "Company/Investors" section (*via* the following link: https://www.soitec.com/en/investors).

They are made available for a minimum period of five years.

Consolidation process

The consolidation process is a centralized process at the Group.

The Consolidation division provides subsidiaries with the accounting rules to be applied, and ensures that they are properly understood and applied.

Monthly reporting, budgets and the consolidation of accounting data are managed on a single IT system.

The objectives of the consolidation and management system in terms of control are as follows:

- to proceed with automated monitoring of the consistency of the financial data submitted by the subsidiaries;
- to process collected information faster;
- apply international accounting standards (IFRS).

Accounting principles and definitions are formalized and available to all users.

The information provided by our subsidiaries is checked by the Consolidation team at our headquarters. It conducts consistency checks and approves the items that present the greatest risks before consolidating the financial statements.

The Chief Financial Officer is provided with a detailed analysis of evolutions in results and of specific key indicators. This reporting process is structured as follows:

- preparation and approval of an annual detailed budget, which is then updated on a monthly basis;
- monthly reporting on the results, cash flow and investment;
- detailed analysis of differences;
- quarterly budgetary review during the steering and control meetings.

The results and forecasts are reviewed on a quarterly basis to ensure that the objectives are achieved.

Regular tracking of the results makes it possible to take the necessary corrective measures as needed.

Procedure for reporting and consolidation of data

The published consolidated financial statements are prepared by the Finance Department on the basis of the audited financial statements of the subsidiaries.

Financial statements are prepared by our subsidiaries in accordance with the Group' accounting rules and to a schedule set out and made available by our Finance Department.

The main accounting estimates and options used by the Group are stated in advance of the closing of the accounts with the statutory auditors.

Verification of the consolidated financial statements

Our Company's statutory auditors audit and review the consolidated financial statements. The statements submitted by the subsidiaries are reviewed by local external auditors, as the case may be.

Our statutory auditors prepare, as part of their assignment, letters of recommendation on the procedures and financial statements which are followed up our Finance Department.

Management of external financial data

Our Group's financial statements are prepared using data from the accounting software package and are then incorporated in the half-year and annual reports, which are reviewed by the external auditors.

Our Group's publications relating to its financial statements are prepared on the basis of information gathered from our Finance Department and are systematically approved by our Chief Financial Officer.

They are then reviewed by the Disclosure Committee.

Our Audit and Risks Committee and our Board of Directors examine and approve these releases for publication.

2.2 RISK FACTORS

2.2.1 IDENTIFICATION AND CLASSIFICATION OF OUR PRIORITY RISKS

Our Group's risk mapping prepared by the Financial Department and presented to our Audit and Risks Committee helped identify a total of 93 risks.

They have been classified under 4 levels of criticality: low, moderate, major and critical.

Of these 93 risks, only 9 risks have been identified as critical and 15 as major, given their potential impact and the probability of them materializing.

As part of the application of the new Prospectus 3 European regulation as from July 21, 2019, we have reworked this "Risk Factors" section, in order to simplify the presentation of risk-related information and further improve its readability.

Pursuant to this new regulation, only the material risks specific to our Group are presented in this Chapter 2.

Of these 24 critical and major risks, we have identified 16 priority risks, divided into 5 categories:

- risks related to the ecosystem;
- technological risks;
- industrial risks;
- financial risks;
- legal risks.

PRESENTATION OF OUR 16 MAIN RISK FACTORS

RISKS RELATED TO THE ECOSYSTEM

1 Customer concentration
2 Anticipation of market changes
3 Size of competitors
4 Price fluctuations
5 Cyclical industry
6 Geopolitics and global economy

TECHNOLOGICAL RISKS

7 Technological obsolescence
8 R&D

INDUSTRIAL RISKS

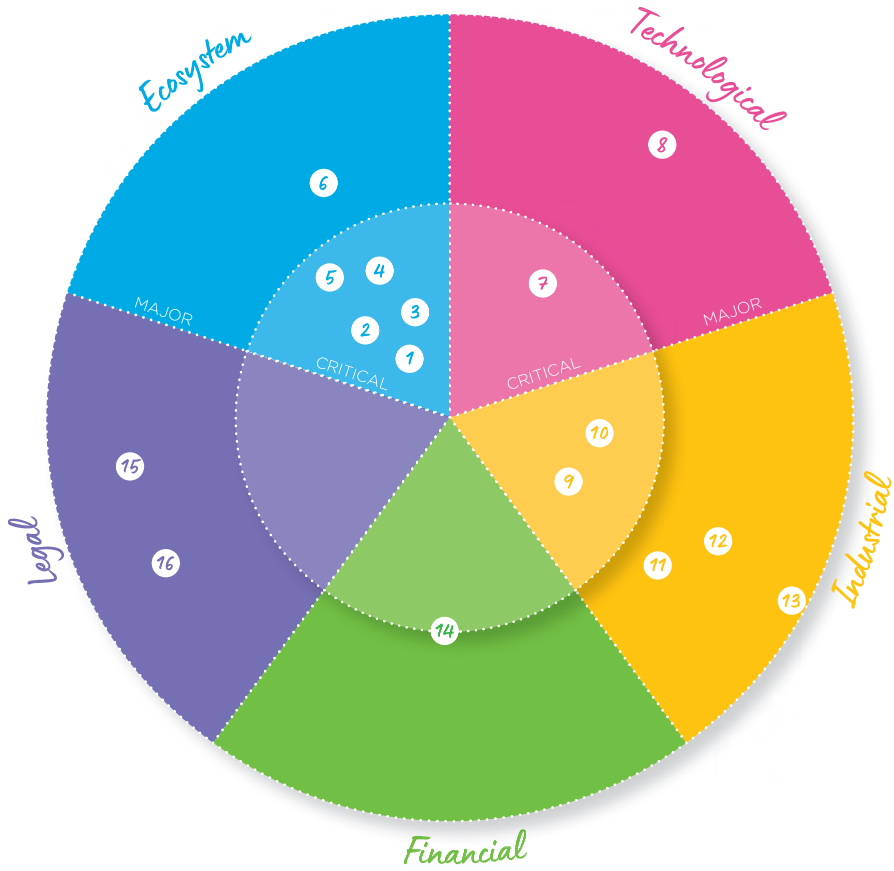
9 Limited number of suppliers
10 Raw materials shortage
11 Supply structure with bulk suppliers
12 Production capacity
13 Production shutdown

FINANCIAL RISKS

14 Exchange rates

LEGAL RISKS

15 Intellectual property
16 IT and data



The risk factors relating to our CSR challenges are presented separately in Chapter 3, in accordance with the requirements of the extra-financial performance statement.

2.2.2 SUMMARY OF PRIORITY RISKS AND MAIN CONTROL MECHANISMS

For each of the five risk categories, risks are identified according to the level of criticality assessed during the risk mapping process, according to the key below. Furthermore, within each category, the most important risks are listed first.

Critical > 10	Major 5 - 9	Moderate 3 - 4	Low < 3
Critical risk	**Major risk**	**Moderate risk**	**Low risk**

2.2.2.1 Risks relating to the ecosystem

Description of the risk	Potential impacts	Main control mechanisms
Critical > 10 — Concentration of customer base		

• Concentration of suppliers' business in the semiconductor sector on a limited number of customers.
• Concentration of the customer portfolio, likely to be strengthened during the FD-SOI technology adoption phase.
• Customer acquisition related to the technological choices of Soitec's main customers.
  • Dependence on customers' products.
  • Dependence on technological choices of customers' clients.
	• Unbalanced bargaining power.
	• Difficulty for customers to withstand rapid technological developments, which could result in decreased demand for Soitec products.
	• Adverse technological choices made by customers' clients, with an immediate negative impact on Soitec's business volumes.
	• Decrease in demand from major customers, resulting in a considerable decrease in revenue and results.
		• Constant search for new opportunities in order to expand and diversify the customer portfolio.
		• Development and eventual addition of other products in new applications (radiofrequency, power, photonics, image capture) to reduce Soitec's exposure.
		• Concentration of Soitec's strategy relating to the adoption of SOI products as industry standards.
		• Promotion of partnerships with existing customers (collaborative program of technical data sharing, SOI consortium, etc.).

Critical > 10 — Anticipation of market changes		
• Very rapid market developments (changes in end-user demand). • Uncertainty about technological choices for the next generations of end products. • Gap between announced end-user strategic choices and orders placed with Soitec by end-users' suppliers. • Dependence on offer availability from other stakeholders in the ecosystem (design, IP, services, foundries) to secure the adoption of the technologies by our end clients.	• Decrease in the demand for Soitec's products and accumulation of inventories. • Uncertainty regarding Soitec's development in the semiconductor market. • Impact on Soitec's financial performance.	• Long-term plan reviewed annually, including various market development scenarios with a top-down and bottom-up approach (customer demand and market projection). • Monthly review of demand for the next 18 months. • Implementation of a new organization for assessing markets and business opportunities. • Strengthening of Soitec's strategy on the adoption of SOI products as industry standards for end users. • Lobbying and interaction with entities within the ecosystem, including customers' clients.
Critical > 10 — Size of competitors		
• Concentration of players in the semiconductor sector. • Risk of development of new integrated production models in which basic silicon producers may be able to produce SOI or SOI alternatives.	• Soitec in competition with players not present in the SOI market. • Loss of market share. • Impact on Soitec's business growth. • Decrease in revenue and results.	• Monitoring of competitors' overall SOI capacity. • Continued R&D efforts to be at the cutting-edge of new technologies. • Expansion of the business development team, ensuring the promotion of SOI products amongst end users.
Critical > 10 — Price fluctuations		
• Strong pressure on players in the semiconductor sector. • Strong competition from SOI products against bulk silicon or FinFet alternatives. • Extent of adoption of Soitec technologies based on its cost, compared to that of other available solutions. • Higher cost of silicon compared to other consumables.	• Pressure on the selling prices of SOI wafers supplied by Soitec and/or loss of Soitec's market share. • Withdrawal of end-users or their suppliers from SOI-based projects if the price-performance ratio is not attractive. • Decrease in revenue and results. • Decrease in profitability in the event of a sustained increase in raw material prices.	• Setting of a minimum cost in order to maintain a good margin on Soitec products. • Negotiation of long-term agreements with main customers to determine selling prices based on quantities ordered. • Implementation of a cost control program using an internally developed process dedicated to improving the use of raw materials. • Increase in selling prices of Soitec products in order to factor in the increase in raw material prices. • Long-term partnership in terms of volume and pricing with suppliers.
Critique > 10 — Cyclical industry		
• Cyclical nature of the semiconductor industry	• Decrease in the demand for Soitec's products and accumulation of inventories. • Decrease in revenue and results. • Impairment of obsolete inventories and of assets.	• Strategy of innovation and business "vertical merger", innovation and business strategy, in order to be closer to end users and anticipate trends. • Development of a diversified and distinctive range of products. • Diversification of product portfolios for end markets with different cycles (automotive, smartphone, IoT, Cloud, etc.).
Major 5 - 9 — Geopolitics and global economy		

• Consequences of protectionism policy in China and the United States.
Direct:
  • 1/3 of revenues generated in Asia and 1/5 in the United States.
  • No production capacity in the United States.
Indirect: via other stakeholders in the value chain.
	• Significant increase in customs duties, impacting Soitec's margin on products exported to the United States.
	• Blocked or prohibited entry to a market (particularly in China and the United States).
	• Loss of market share.
	• Decrease in revenue and results.
		• Periodic analysis, carried out by a dedicated team, of the current geopolitical situation so as to detect any risks liable to impact our business.
		• Multiple production capacities located in Europe and Asia.
		• Portfolio of products responding to demand from clients located all around the world.
		• Reinforcement of our export control skills.

2.2.2.2 Technological risks

Description of the risk	Potential impacts	Main control mechanisms
Critical > 10 Technological obsolescence		
• Obsolescence of technology or products developed by Soitec in relation to new products and/or technologies offering a greater performance/costs ratio.	• Immediate impact in case of obsolescence of RF-SOI and Power-SOI technologies, which make up the majority of Soitec's revenues. • Decrease in demand for Soitec products. • Significant impairment of obsolete inventories and production assets. • Impacts on Soitec's development in the semiconductor market. • Decrease in revenue and results.	• Creation of a strategic unit tasked with identifying products' end of life, and determining positioning on new technologies • Focusing efforts on the range of new technologies or new generations of products (FD-SOI, RF-SOI, POI, etc.). • Development of new generations within each product family. • Annual review of underlying assumptions for forecasts, obsolete inventories, capitalized R&D costs and impairment of long-term assets.
Major 5 - 9 R&D		

• Allocation of a significant portion of Soitec revenue to R&D.
  • Significant investments without certainty as to whether the project will be carried out or whether the business opportunity is feasible.
  • Major investments, with the risk that a competing technology may be available at a lower cost.
• Soitec's contractual commitments to improve the performance of its products over time.
• Non-identification of projects of interest requiring efforts in terms of R&D
	• Unused and unsuitable investments in R&D and raw materials.
	• No return on investment.
	• Delay in the development of new products.
	• Drop or delay in revenues and impact on results.
	• Adverse effect on Soitec's margins and operating profit in the event that it struggles to meet its contractual commitments.
	• Loss of leadership.
		• Collaboration upstream with leaders in strategic markets.
		• Analysis of the project, prior to launch and at each key stage, based on strategic criteria (proof of concept, proof of value, business opportunity).
		• Projected total cost of R&D expenditure (internal or external resources, raw materials, etc.).
		• Market analysis to ensure that similar technology is not available at a lower cost.
		• Monthly monitoring of projects.

2.2.2.3 Industrial risks

Description of the risk	Potential impacts	Main control mechanisms
Critical > 10 Limited number of suppliers		

• Limited number of silicon suppliers, who may no longer be able to meet Soitec's needs.	• Soitec's inability to procure enough silicon to meet customer demand.
	  • Dissatisfaction of existing customers.
	  • Impact on productivity.
	  • Loss of market share.
	  • Decrease in revenue and results.
	• Significant increase in the price of silicon.
	  • Decrease in profitability.
		• Policy of maintaining multi-sourcing for strategic products.
		• In-house development of alternative sourcing to mitigate risk and create leverage over suppliers.
		• Implementation of a business continuity plan covering tier 2 or tier 3 to ensure diversification of our suppliers' own sources, multi-sourcing for large volumes, SMI (supplier managed inventory) method, long-term agreements with suppliers, revised each year.
		• Creation of a dedicated team to identify new supply channels.
		• Selection process for two new supplier lines (under way).

Critical > 10 Raw material shortage		

• Intense competition on silicon supply market.
• Difficulties in terms of supply caused by the cyclical nature of the semiconductor industry, which consumes a large amount of silicon.
	• Soitec's inability to procure enough silicon to meet customer demand.
	  • Dissatisfaction of existing customers.
	  • Impact on productivity.
	  • Loss of market share.
	  • Decrease in revenue and results.
	• Significant increase in the price of silicon.
	  • Decrease in profitability.
		• Agreements with the main silicon suppliers, who undertake to allocate capacity slots to Soitec and negotiate market shares.
		• Soitec's freedom to purchase from other suppliers, in order to set up other supply channels and keep purchase prices under control.
		• Increase in selling price of Soitec products, reflecting silicon prices increase.

Major 5 – 9 Supply structure with bulk suppliers		
• Supply from bulk suppliers governed by long-term agreements containing take or pay clauses, which are not linked to customer contracts with equivalent characteristics (commitment term, technology covered by the contract, volumes).	• Discrepancy between bulk volumes that Soitec has agreed to purchase and customer orders. • Increase in expenses and profit and loss (P&L) statement imbalance.	• Current agreements with bulk suppliers providing Soitec with flexibility (upwards or downwards) on bulk volumes subject to take or pay clauses. • Inclusion of clauses in new bulk supply contracts making it possible to change the technology covered by the agreement, in order to redeploy supplied bulk to another technology in line with Soitec's requirements.
Major 5 – 9 Production capacity		
• Insufficient production capacity. • Delay in the production launch of new products (Filter, GaN).	• Dissatisfaction of customers (SOI technology not adopted). • Loss of market share. • Drop or delay in revenues and negative impact on results. • Delays in the qualification of new products. • Loss of the opportunity to develop new products in a timely manner.	• Anticipation of the necessary capacities *via* a reliable short-, mid- and long-term planning process. • Maximization of a production unit's capacity (resources and layout). • Development of production capacities through licensing or subcontracting agreements with several key players. • Expansion of production capacity via the partnership set up with Shanghai Simgui Co. Ltd. (Simgui). • Implementation of a business continuity plan.
Major 5 – 9 Shutdown of production		

• Limited number of production sites:
  • Bernin I in France (for the production of SOI 200 mm wafers);
  • Bernin II in France;
  • Pasir Ris in Singapore;
  • In China via the partnership with Simgui (for the production of SOI 200 mm wafers).
	• Difficulties in meeting customer demand in the event of prolonged downtime at one of the production sites.
	• High cost (restart payroll expenses during production shutdown, etc.).
	• Customer dissatisfaction.
	• Loss of market share.
	• Decrease in revenue and results.
	• Impacts on Soitec's reputation.
		• Implementation of a business continuity plan.
		  • Internal operations plan including trainings to safeguard safety, employee health and the integrity of manufacturing infrastructure.
		  • Operational exercise every year.
		  • Identification of "critical" operations and supply and customer deliveries securing.
		• Implementation of prevention and protection measures.
		• Strengthen reliability of production sites in order to limit risk of impact on business.
		• "Business interruption" insurance partially covering the risk of production shutdown.

2.2.2.4 Financial risks

Description of the risk	Potential impacts	Main control mechanisms
Critical > 10 — Exchange rates		
• Adverse fluctuations in the EUR/USD exchange rate. ◦ Majority of business transactions denominated in US dollars in the semiconductor sector. ◦ Almost all of Soitec's revenues generated in US dollars. ◦ Silicon purchases in US dollars. • Publication of the Group's consolidated financial statements in euros, whereas the subsidiaries use a different functional currency.	• Impact on the gross margin. • Accounting currency translation risk for the Group's consolidated financial statements. ◦ Currency translation losses and impact on the Group's equity. ◦ Adverse exchange rate fluctuations: a decrease in revenue is not offset by an equivalent decrease in euro-denominated expenses.	• Mitigation in exposure to other foreign currency fluctuations by balancing costs and revenues. • Regular review of net foreign exchange risk exposure, in order to decide whether or not to use forward purchases/sales or options to minimize the EUR/USD foreign exchange position. • Financing in local currencies in order to maximize risk hedging.

2.2.2.5 Legal risks

Description of the risk	Potential impacts	Main control mechanisms
Major 5 - 9 — Intellectual Property		
• Infringement of Soitec's intellectual property rights. • Development by Soitec of a new product or process that infringes a patent or model filed by a third party. • Loss of benefit of employees' inventions. • Leakage of know-how.	• Loss of Soitec's competitive advantage. • Claim over a patent or process developed by Soitec and risk of associated disputes. • Loss of development opportunities. • Adverse impacts on the financial position.	• Completion of freedom-to-operate studies and assessments of competing patents to avoid the risk of infringing a patent filed by a third party and guarantee freedom to operate. • Policy to safeguard Soitec's intellectual property rights. ◦ Protection of the main technological innovations by filing patents (30 to 35 new patent applications per year). ◦ Extension of main patent applications abroad (more than 250 applications per year). ◦ Protection of manufacturing methods, technological enhancements, trademarks, etc. • Industrial protection policy adapted by the filing of patents and the protection of secrecy thanks to rules of confidentiality, protection, and sharing of sensitive information, and also by a rigorous and formalized management of industrial secrets via appropriate processes such as quality control processes. • Preservation of expertise and loyalty schemes for employee inventors: ◦ Strengthening of financial incentives for employee inventors. ◦ Implementation of employees' retention plans. ◦ Inclusion of non-compete clauses and loyalty/non-disclosure obligations in employment contracts. ◦ Management of expert employees as part of the annual talents review.
Major 5 - 9 — IT and data		
• Soitec's significant dependence on its IT system • IT system's vulnerability to cyber attacks. • Loss or theft of mobile devices used by employees.	• Loss or theft of confidential and sensitive data. • Cyber attacks and capture of sensitive data for unauthorized use or attempted scams.	• Group-wide information security policy defining all information protection measures, both technical (passwords, data and service encryption, antivirus, firewall) and behavioral (classification, awareness). • Storage of confidential data in a dedicated application with heightened security and specific access management. • Compliance with best practices and deployment of organizational (using ISO 27000 as a reference standard), technical and human resources, in order to ensure the sound management and security of the IT system. • Creation of regulated access zones (*Zones à Régime Restrictif - ZRR*) to limit physical and/or IT access to server rooms. • Information provided to "at-risk" employees (best practices in terms of business trips and focus on at-risk countries).

2.3 INSURANCE AND RISK HEDGING

2.3.1 OVERVIEW OF OUR INSURANCE POLICY

In addition to the prevention and protection measures deployed, our Company has a comprehensive insurance program, notably providing coverage for:

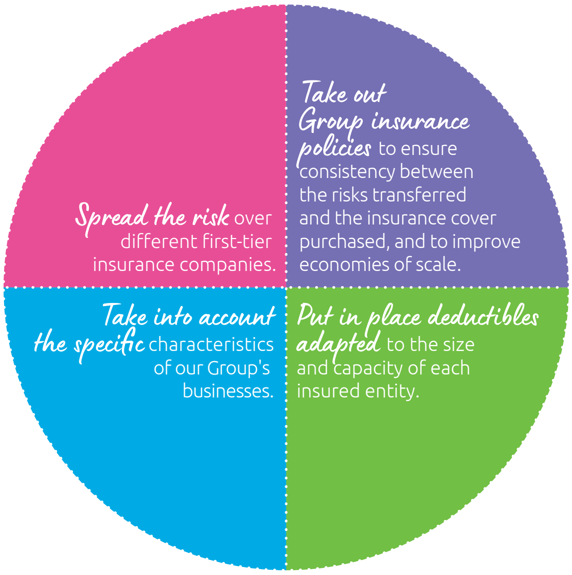
- risks of property damage and loss of business;
- risks related to the transport of goods;
- risks related to environmental damage;
- risks of the financial consequences of civil liability which could be incurred due to its operation or due to the movement of its products around the world.

Other insurance policies are taken out for smaller risks.

Wherever necessary, our insurance policies are supplemented by insurance taken out by or on behalf of our Group's subsidiaries, in order to cover risks generated by their particular business activities. For example, third party liability insurance covering aeronautical products was taken out by our subsidiary Dolphin Design.

Our Group's policy relating to risk management and insurance aims to:

- spread the risk over different first-tier insurance companies;
- take out Group insurance policies to ensure consistency between the risks transferred and the insurance cover purchased, and to improve economies of scale;
- take into account the specific characteristics of our Group's businesses;
- put in place deductibles adapted to the size and capacity of each insured entity.



2.3.2 DESCRIPTION OF OUR INSURANCE POLICIES

Policy type	Purpose of policy and scope of application
Damage to Goods and Operating Losses	Assets and operating losses are covered by "All risks except" type policies. These policies are adapted to our various Group's production sites and involve regular inspections by our insurers' appraisers, in order to adjust the amounts of the coverage and excesses in relation to the reality of risks. The combined deductibles "property damage" and "loss of business" are adjusted to each site, and operating losses are usually insured for periods of eighteen months. This program integrates the "additional operating costs" guarantee and a guarantee of "deficiency of suppliers and/or clients."
Transporting merchandise	The policy relating to our Group's risk management and insurance has resulted in insurance policies that cover its goods across the entire logistics chain, from suppliers to customers.
Civil liability for environmental harm	The "Civil liability for damage to the environment" guarantee covers our Bernin production site in France. It covers the financial impact on our Company of personal injury, damage to property and consequential damage caused to third parties, in the event of pollution or harm to the environment caused by our activities.
Civil liability	"Civil Liability" insurance is intended to cover the liability of our Group both during the operation of the business, and after delivery of products, or in relation to defending criminal proceedings and appeals. This insurance is taken out for all production and distribution sites with the same insurance companies. These policies take into account the specific characteristics of each production site as well as the risks relating to different geographic areas where the products are delivered.
Civil liability of senior executives and corporate officers	"Directors and officers (D&O)" policy aims to cover all senior executives and corporate officers of our Company and of its subsidiaries against the financial consequences of third party civil liability incurred due to mismanagement or professional misconduct while carrying out their duties.
Fraud and malicious acts insurance	"Fraud and malicious acts" insurance aims to cover financial damage of our Company and its subsidiaries resulting from a fraudulent act (such as abuse of trust, fraud, forgery and use of forged documents, counterfeiting or falsification of checks or theft) or acts of hostility (such as introducing a computer virus) committed by their agents or by third parties, as well as any expenditure that could be incurred from this.

+338

new employees
at March 31, 2019

–12%

in the energy footprint
for finished products
(KWh per wafer)

70%

of employees
have taken the Code
of Conduct training

3.

Extra-financial performance

MANAGEMENT'S VISION

From 2015 onwards, it became obvious to me that returning Soitec to profitable and sustainable growth was not just a matter of more rigorous management or a more appropriate commercial approach. Above all, it was not just something that concerned a few executives working in isolation and with absolute certainty. After all these years at the Company, I knew that Soitec had access to a unique wealth of resources, vitality and commitment. This was developed by all those individuals who, over the course of the years, built, turned around and saved the Company, and who helped make it successful.

Day after day, these women and men are the key, long-term strength of the business. Just as, more recently, they were the antidote and final defense in tough times. This is why I now invite you to read the following pages which form our "extra-financial" performance statement as the actual source of our success in the last three years and as the best guarantee of our commitments for future years.

Starting in 2015, we initiated an extensive change program since we were convinced that tapping into this energy and drawing on our collective intelligence would save us time and make us more efficient, and be the best guarantee that our choices were appropriate, sustainable, and be supported by everyone. In line with this approach, the past year has seen a wide-ranging process of reflection in which we have all tried together to reshape the organization. This was to make it better suited to our ambitions, and to the increased complexity, more global approach, and greater diversity that have resulted from our acquisitions. We also wanted our structure to make us more agile in terms of predicting and being able to respond to our customers' expectations.

I am particularly proud to see that our employees have worked together to design an organization which is now in place, rolled out worldwide and acknowledged by all as being a source of progress and efficiency. This organization has been a genuine driver for personal development, given that over 80% of the key roles created have been filled through internal promotions.

In parallel, we have learned to give greater recognition to the place occupied by our female colleagues within the Company and to make this a priority. As studies have demonstrated, it is a guarantee of improved performance. Rather than doing what some have done and taking refuge in the convenient argument that our business sector is not attractive to women, we are working hard each day to show what Soitec has to offer to women. We meet female high school students to encourage them to pursue careers in the sciences. After several years of sustained efforts, we have seen a 1.5 point increase in the percentage of women within the Company. The various indicators that we use in this area are constantly improving, and we have also made progress with regard to the presence of women on our decision-making bodies.

More generally, we are also making quality of life in the workplace a central theme and we measure its relationship to the overall quality of work itself on a daily basis. We are now consulting all employees about this issue on a very regular basis. They are then able to own and process the results and decide what action can be taken to improve their day-to-day lives.

These two subjects - diversity and quality of life in the workplace - are particularly close to my own heart and I have asked our Board of Directors to include these among the performance criteria used to calculate my variable compensation, on the same basis as those criteria relating to finances or business strategy.

We are also constantly working to ensure that the dialog between staff and management remains positive, and our salary policy for the last year at Soitec SA resulted in an agreement that was adopted unanimously by all four labor unions. In response to the protest movements seen throughout France, we decided to add to this policy by granting an exceptional bonus to improve spending power which was received by nearly 44% of Soitec SA's staff members. Our Board of Directors also places great emphasis on the sharing of wealth and takes care to involve all of our employees in our growth targets. The compensation package is then supplemented by a number of employee shareholding schemes and free share allocation plans for all employees, on a scale very rarely seen in listed companies in France.

More generally, this document will demonstrate our employees' desire to ensure a high degree of environmental protection, and to manage energy and water consumption while controlling waste in the context of continuing growth. This is because the ability to combine performance with consumption management forms part of Soitec's very DNA.

I hope that you will find these pages interesting. They reflect the commitments that we uphold on a daily basis, are full of meaning, provide a clear sense of our identity, both in terms of what brings us together and in the wealth of our diversity, as well as the balance that we work hard to protect. This will without doubt help you to understand the keys to our success, both in the past and in the future.

Paul Boudre

Soitec and sustainable development

Further to changes in the French and European legal framework [(1)], and with a view to ensuring the transparency and readability of the non-financial information published each year, we have elected to publish an extra-financial performance statement in our 2018-2019 Registration Document.

This statement points out Group's business model, its key issues in terms of Corporate Social Responsibility, the policies rolled out, and our social and environmental performance indicators.

(1) *Ordinance no. 2017-1180 of July 19, 2017 on the publication of non-financial information by certain major companies or groups of companies.*

THE BUSINESS MODEL

Our mission: to design and deliver innovative substrates

CHALLENGES OF BY THE ELECTRONICS SECTOR

Three major trends:
5G, AI, and energy efficiency

Our resources

ECOSYSTEM BASED ON RELATIONS

- At the start of the value chain, co-development partnerships with:
  - major research centers: CEA-Leti, Fraunhofer, IME, IMEC, etc.
  - industrial entities and suppliers for greater innovation to serve our customers
- **Member of the Responsible Business Alliance**

HUMAN RESOURCES

- **Nearly 1,450 employees, 73%** of whom are managers, engineers, or technicians
- **more than 20** nationalities
- A management method focused on autonomy and individual responsibility
- A strong culture of employee health and safety

INNOVATION

- **2 unique technologies** (Smart Cut ™ and Smart Stacking ™) and **2 areas of expertise** (Epitaxy and Compound Materials), serving **4 mass markets** (Smartphones, Automotive, Infrastructures for the Cloud & mobile telecommunications, Internet of Things)
- **12% of revenue** devoted to R&D
- A presence in the **Top 50 French patent filers** and **number 1 in the Top 10 intermediate size companies**

PRODUCTION

- **6 production** lines which guarantee supply reliability and flexibility:
  - Bernin 1, 2, and 3
  - Pasir Ris
  - Shanghai (partnership with Simgui)
  - Hasselt
- **Planned extension** of the main production lines

FINANCE AND ORGANIZATION

- A strengthened balance sheet: increase in equity: **+€120 million**
- **A return to the Euronext Paris CAC Mid60 and SBF120 indexes since 2017**
- A solid shareholding structure comprised of **3 loyal strategic investors** holding approximately 35% of our shares
- **A dual governance:**
  - **separation** of the duties of Chief Executive Officer and of Chairman of the Board of Directors
  - **independence of the Chairman** with regard to the AFEP-MEDEF Code
- **A Board of Directors** which **supports our strategy:**
  - **balanced and diversified:** 12 members, 5 nationalities, 1/3 independent, gender balance: 58% men -42% women
  - **committed and assiduous:** 28 Committee meetings, 7 Board meetings, with an average attendance rate of 86.50% for FY19

"A strategy based on disruptive innovation to offer our customers products

to enable our customers' products shaping everyday life.

Complex technological challenges

An internationalized market, dependent on global growth

which combine performance, energy efficiency and competitiveness."

A unique innovation model for a portfolio of products which is a source of high added-value differentiation

An organization focused on clients and applications

Our value creation

ECOSYSTEM BASED ON RELATIONS

- **A duty of vigilance** applied to all major suppliers
- Compliance with the **RoHS 2** European Directive (2011/65/UE)
- A **Code of Conduct updated in 2018** to comply with France's «Sapin 2» law
- Close work with some fifteen key clients to ensure their integration well upstream in our innovation strategy

HUMAN RESOURCES

- **338 new employees**
- **36 hours of training** per employee per year
- 4 QWL questionnaires per year(1)
- Group target: **FR <3**(2)
- Close attention paid to profile **diversity and inclusiveness in the workplace**

INNOVATION

- A portfolio of over **3,500 patents**
- **200 inventors**

PRODUCTION

- Technologies which have become **industry standards**, found in everyday life
- A decisive contribution to **end product performance**
- A historical geographical link to the **Grenoble-region cluster**
- IATF 16949(3): Bernin 1&2 since 2012 - Pasir Ris scheduled for October 2019
- ISO 9001(3): Bernin 3 since 2019 - Pasir Ris since April 2019
- ISO 14001(3): Bernin since 2001 - Pasir Ris scheduled for 2020
- OHSAS 18001/ ISO 45001(3): Bernin since 2010 - Pasir Ris scheduled for 2020
- ISO 5001(3): Bernin since 2015
- OEA(3): Bernin since 2009

FINANCE AND ORGANIZATION

- Revenue: **€444 million (+ 42%)** of which **90%** is generated internationally
- Profitability up sharply: EBITDA margin of 34.3**%** of revenue **(+5.1 pt)**
- Share price valuation: **+700%** over 3 years (compared to +25% for the SBF 120)
- **Highly attractive to institutional investors:**
  - the proportion held by our top 50 institutional investors has **tripled** in 2 years, **to reach 45% in March 2019**
  - a €150 million convertible bond issue completed in June 2018 via private placement with **zero-rate coupon and a premium of 37.5%**
- **Governance** in line with **best practice** and ready to meet **tomorrow's challenges**

(1) QWL: Quality of working life. (2) FR: Number of accidents leading to lost time of < 1 day.

(3) IATF 16949: Quality management system applicable to the automotive system - ISO 9001: Quality management system - ISO 14001: Environmental management system - OHSAS 18001/ ISO 45001: Occupational health and safety management system - ISO 5001: Energy management system - OEA: French Authorized economic operator.

3.1 KEY CSR ISSUES FOR SOITEC

MEASURES TAKEN TO IDENTIFY THESE ISSUES

In the context of the implementation of the European Directive on extra-financial reporting, we carried out an analysis in 2018-2019 aimed at identifying the priority corporate social responsibility (CSR) issues for our business.

To identify these key issues, we reviewed each of the topics that had been discussed repeatedly in previous CSR reports and identified the principal issues for the Company's different stakeholders. This initiative was carried out in consultation with the HR, Legal and Finance Departments, and with the help of an external consulting firm.

We then compared this list with the risks identified as having a financial impact for Soitec and assessed their frequency, thereby obtaining a level of criticality for each risk.

In short, this enables the 11 major issues for Soitec to be identified and these are listed below. These issues were approved by the Soitec Executive Committee.

Key issues for Soitec

	ISSUES	DESCRIPTION	SCOPE	POLICIES/PAGES
PEOPLE	OCCUPATIONAL HEALTH AND SAFETY	Soitec is organized so as to ensure improved continuity in the medical monitoring of employees and to take even greater action in terms of occupational health and safety. Constant preventive action remains the leitmotiv of the business.	Group	*i. Occupational health and safety* *1. Major preventive measures taken in 2018-2019 p. 60* *2. Analyses and action plans concerning workplace accidents p. 61*
	WELL-BEING AND WORKING CONDITIONS	Working at all times to ensure the well-being of employees is crucial for Soitec. We believe that quality of life in the workplace must be at the heart of its corporate culture. Soitec is aiming to develop its business against a background of strong growth where the Company's performance and technological and social innovation go hand-in-hand with the fulfillment of each of its employees. With this in mind, and for all employees, working at Soitec must be a means of development in professional and personal terms, while maintaining a good work-life balance.	Bernin site	*ii. Well-being and working conditions* *1. Improving the Quality of Working Life p. 63* *2. Well-received roll-out of teleworking p. 64* *3. Other agreements p. 64*
	INCLUSION IN THE WORKPLACE	Equal treatment of men and women and, more generally, ensuring that discrimination of any kind is prevented, is one of the key pillars of Soitec's Human Resources policy. For nearly 20 years, Soitec has adopted a dynamic and proactive approach to managing the employment of people with disabilities. In December 2018, Soitec signed the "For an Inclusive Company at Every Age" agreement (*Pour une Entreprise Inclusive à Tout Age*). The Company is actively getting ready to sign the 10th agreement on gender equality.	Bernin site	*iii. Inclusion in the workplace* *1. Targeting gender equality p. 64* *2. Employees with disabilities p. 66* *3. Other actions taken to promote inclusion p. 66* *4. Turning its employees into shareholders p. 66*
	NEW TALENTS	Soitec is currently experiencing very sustained growth, resulting in a dynamic recruitment policy and our restated ambition of achieving maximum diversity in terms of employees' profiles. To do this, the Company is intensifying its presence in the traditional recruitment processes and is also working on new methods.	Group	*iv. New talents p. 67*
	SOCIAL DIALOG	Soitec and its social partners express their willingness to promote constructive and innovative social dialog, notably through the negotiation of a new agreement on the exercise of trade union rights. The aim is to maintain a healthy, high-quality and fruitful social dialog.	Bernin site	*v. Social dialog* *1. To promote constructive social dialog p. 69* *2. In-house events organized jointly by employees p. 70* *3. Mandatory Annual Negotiation Agreement p. 70* *4. A shared diagnosis to prepare for the creation of the Social and Economic Committee p. 70*

	ISSUES	DESCRIPTION	SCOPE	POLICIES/PAGES
PLANET	REDUCING AND OPTIMIZING THE USE OF RESOURCES	As early as 2001, Soitec obtained ISO 14001 certification, to which it added ISO 50001 certification in 2015. Environmental and energy management systems make it possible to accurately and regularly assess the Company's environmental impact and to implement continuous improvement actions. Soitec places great importance on controlling the amount of water it uses, despite a sharp increase in production. It is also taking care to improve energy efficiency in terms of the use of gas and electricity.	Bernin site	*i. Reducing and optimizing the use of natural resources* *1. Water consumption p. 71* *2. Energy efficiency p. 71*
	REGULATING IMPACTS ON CLIMATE CHANGE	Soitec has reduced its greenhouse gas emissions by 50% in the last four years. In parallel, Soitec has renewed its commitment to promoting sustainable means of transport and is increasing its actions aimed at raising awareness of this issue among staff.	Bernin site	*ii. Regulating impacts on climate change* *1. Carbon footprint p. 73* *2. Promoting more sustainable forms of transport p. 73*
	LIMITING POLLUTION	Aware of the fact that its manufacturing activities and the use of boilers generate aqueous and gaseous emissions on its site, Soitec is putting a range of preventive measures in place. In addition, the Company is putting in place various measures aimed at making better use of waste materials and thereby promoting the circular economy.	Bernin site	*iii. Limiting pollution* *1. Atmospheric discharges p. 74* *2. Aqueous discharges p. 74* *3. Waste management p. 75*
	PROTECTING BIODIVERSITY	Soitec is making efforts to maintain a healthy and well-balanced ecosystem within which the Company acts in a responsible manner. In concrete terms, the Company has two beehives at its Bernin site, thereby acting to protect the pollination process. Soitec is even more committed to the preservation of local areas via a partnership with the Isère department aimed at promoting the at-risk natural areas of the Grésivaudan Valley in which the business has its historical roots.	Bernin site	*iv. Preserving biodiversity* *1. Installation of beehives p. 76* *2. Partnership with the department of Isère p. 76*
ETHICAL BUSINESS	ETHICAL BUSINESS AND COMPLIANCE	Soitec and its subsidiaries strive to act globally in accordance with demanding social and ethical principles. The Group's Code of Conduct outlines the broad principles and guidelines that define its business practices and internal relationships. It defines a body of rules that, in accordance with the legal, regulatory, and cultural framework of the countries where Soitec operates, are expected to govern the daily individual and collective actions carried out on Soitec's behalf. On this basis, the Code applies worldwide to all Soitec employees in their dealings with each other and with shareholders, investors, government agencies, authorities, customers, and suppliers.	Group	*i. Business ethics* *1. Code of Conduct p. 77* *2. Respect for human rights p. 77* *3. "Sapin II Law" compliance/Fight against corruption p. 77* *4. Tax evasion p. 78* *5. Responsible procurement policy p. 78* *6. Protecting the health and safety of the consumer p. 78*
	DATA PROTECTION	In accordance with EU Regulation 2016/679 of the European Parliament and of the Council of April 27, 2016 and with law 2018-493 of June 20, 2018 on data protection, Soitec is committed: • to keeping its employees informed and providing them with a list of all data processing activities; • providing them with a Soitec Data Protection Officer (DPO) to answer any questions they may have on this subject; • protecting their data for a reasonable period of time, based on the needs of the business, the regulations in force, and the protection of their privacy; • guaranteeing the security of their data so as to avoid any unauthorized access or dissemination.	Bernin site	*ii. Data protection p. 78*

Please note: Soitec SA accounted for 78% of the Group's headcount at March 31, 2019.

3.2 DESCRIPTION OF POLICIES

We are integrating our CSR strategy into all of our activities. This serious commitment guides all of our discussions and decisions.

Soitec's CSR strategy is based on the three pillars of sustainable development: People, Planet, and Ethical Business.

PEOPLE. In 2018-2019, Soitec rolled out a significant recruitment plan to support its growth with the specific aim of diversifying employee profiles and the roll-out of the action plan for the promotion of quality of life in the workplace.

PLANET. Soitec's main site is located in the Grésivaudan Valley, a magnificent setting which is nevertheless vulnerable.

Soitec, a major actor in this region is, of course, affected by this subject.

The Company ensures that it minimizes the environmental impact of its activities.

ETHICAL BUSINESS. The products developed by Soitec are at the heart of the global digital revolution. The Company is developing within a complex ecosystem and places great importance on interacting with its stakeholders in accordance with its ethical principles.

3.2.1 PEOPLE

3.2.1.1 Occupational health and safety

At Soitec, health, hygiene, and safety requirements are the focus of the combined efforts made by all those involved, with the day-to-day support of the Health, Safety and Environment (HSE) and Human Resources Departments, the Occupational Health Department, Executive Management, Site Management, and the employee representative bodies, particularly the CHSCT.

3.2.1.1.1 Major preventive measures taken in 2018-2019

Many of the initiatives implemented and described below are preventive with regard to occupational health, and contribute to the promotion of Quality of Life at Work.

a) Look after yourself with a five-minute warm-up

- All operators in two pilot areas (unpacking of raw materials/packaging of finished products in clean rooms and store logistics operatives) are allowed a five minute warm-up before starting work. These warm-ups are led by specially-trained coaches.
- This initiative launched in 2016, was given new momentum this year by:
  - raising the awareness of local managers,
  - training new coaches,
  - extending the measure to include new groups (method agents, daytime logistics agents).

b) Raising awareness far upstream through seven Health & Safety Days

Health and Safety Days are organized by the HSE with support from the Occupational Health Department. Seven workshops were therefore offered in May 2018 for employees of Soitec and of external contractors working on the site. Participation in these events is on a voluntary basis and takes place during working hours.

"Using virtual reality to identify risks" 15 minutes

Equipped with a virtual reality headset, employees are plunged into a 360° workplace environment. They can move about and interact freely to detect any high-risk situations (dangerous conditions and actions).

"Workstation Ergonomics for office workers" 45 minutes

Employees are invited to discover the correct posture and relaxation techniques to be used at their workstation to stop aches and pains developing. This workshop is run by an osteopath-physiotherapist.

"Ergonomics in Fab" 45 minutes

Via fun exercises, employees learn about the risks of over-use caused by carrying baskets in one hand only and its consequences. The workshop is run by a physiotherapist and ergonomics specialist.

"Life-saving techniques" 45 minutes

Employees are trained to use a cardiac defibrillator. This simple step, if applied as soon as someone is observed to be in cardio-respiratory failure, can save lives in 90% of cases.

"Discover the benefits of foot reflexology techniques" 45 minutes

Individual sessions with certified reflexology practitioners allow employees to discover this "manual medicine" and its benefits.

"Discover the benefits of 'Amma' massage" 30 minutes

Via individual sessions, employees discover the physical and mental benefits of the "Amma" massage technique: a relaxing massage performed while sitting and dressed on an ergonomically-designed chair.

"**Mindfulness meditation**" 45 minutes

Employees are invited to discover mindfulness meditation and have a glimpse of the benefits for health, attention span, stress reduction, etc.

They also discover techniques which are easy to repeat in the workplace and at home during the seminar led by Agnès Muir Poulle, Head of the Community of Practice under the Mindfulness Chair at the Grenoble School of Management.

c) Finding out about serious illness and raising awareness about preventive measures

This year, a collaborative program has been launched involving Soitec's Occupational Health Department and the Auvergne Rhone-Alpes region's cancer screening center.

Our employees were therefore able to take part in two seminars:

- Screening for breast and colorectal cancers by Dr. Catherine Exbrayat, on October 18, 2018;
- Screening for cervical cancer and the human papilloma virus (HPV) vaccination by Dr. Anne Garnier, on February 14, 2019.

d) Prophylactic measures and public health

Once again this year, the Occupational Health Department has offered employees:

- two blood donation sessions on site, run by the French blood donation service (*Établissement Français du Sang*). Over 140 employees generously took part in this event;
- since 2017, in agreement with our workplace physician, we have offered our employees flu shots in the fall, paid for by the Company. Around one hundred employees took up this offer of protection and thus reduce the risk of an epidemic. This was around double the number recorded in the previous year when this initiative was first launched. This measure may, *inter alia*, have contributed to the reduction in the level of absences recorded this year compared with last year.

e) Tailoring HSE resources to match growth and issues

To deal with increased activity and the high number of complex projects, we decided to increase the level of human resources devoted in the area of health, safety, and the environment in 2018-2019, with the recruitment of a safety technician in September 2018 followed by that of a safety engineer in January 2019.

f) Creating a shared safety culture in Singapore

To comply with regulatory requirements, an emergency team has been set up at the Pasis Ris production site in Singapore. The roles and responsibilities of each individual (from the site manager to team operatives) have been clearly identified.

We provide a significant amount of safety-related training: fire, gas, chemicals, hazardous products, and epitaxy training courses so that we have an operational emergency team covering all shifts and all teams.

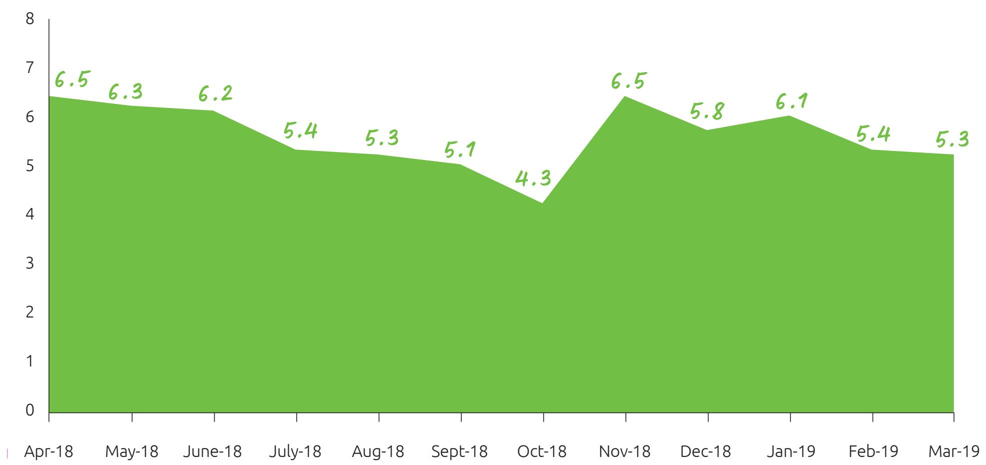
In addition to the legal obligations, our aim is to create a genuine shared culture focused on safety.

3.2.1.1.2 Analyses and action plans concerning workplace accidents

We monitor the Frequency Rate (FR) and Severity Rate (SR) indicators which are monitored and disclosed to employees on a monthly basis *via* the intranet and a newsletter providing information and raising awareness of HSE issues. They are presented in graph form and calculated on a rolling year basis, to monitor changes over time. Targets to improve these rates are taken into consideration when calculating the variable remuneration of all managers and are also one of the criteria used to calculate the incentive payments for 2018-2019.

a) Group Frequency Rate

Group consolidated FR



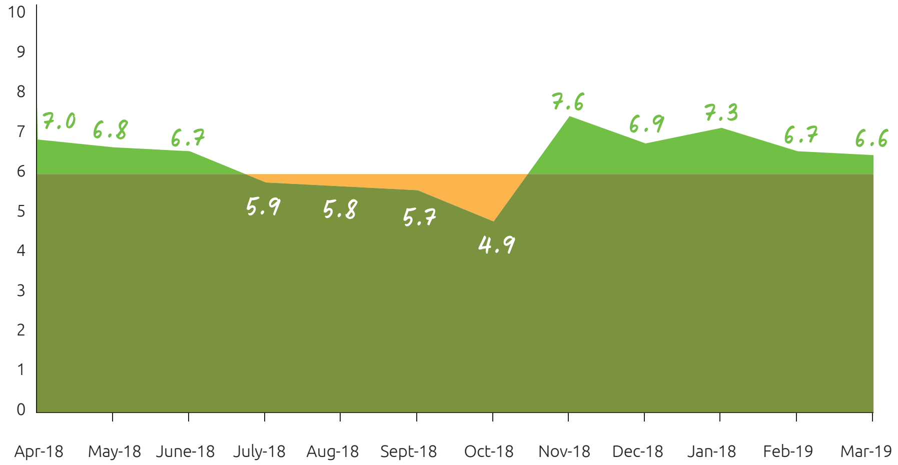
The Group's annual frequency rate reduced to 5.26.

On a Group level, the frequency rate for workplace accidents fell over the year from 6.5 at the start of the period to 5.3 at the end of the fiscal year. This reduction comes against the background of a sharp rise in employee numbers due to the Group's organic external growth operations.

It should be noted that the Pasir Ris industrial site has not recorded a single workplace accident in the 2018-2019 fiscal year. This is despite the fact that there has been a considerable increase in the volume of business in production terms and that a significant number of new employees have joined and been provided with training.

The Bernin site has also recorded a slight drop in the frequency rate after 2018-2019 in which the rate increased sharply. This result remains a partial success, however, and below the progress targets we had set ourselves, with a series of accidents in the fall after a clear improvement during the first half year.

b) Bernin Site Frequency Rate: 2018-2019 achievement and target



c) Bernin Site Frequency Rate: comparison 2017-18 and 2018-2019 and targets

Period	FR Bernin FY 18	FR Bernin FY 19	Target FY 19
April	3.3	7.0	6
May	3.3	6.8	6
June	4.1	6.7	6
July	5.8	5.9	6
August	6.5	5.8	6
Sept.	6.5	5.7	6
Oct.	7.3	4.9	6
Nov.	7.2	7.6	6
Dec.	8.0	6.9	6
January	7.9	7.3	6
February	8.6	6.7	6
March	8.5	6.6	6

For the 2019 fiscal year, Soitec notes a slight increase in the number of lost-time accidents (1 point up on the previous fiscal year).

The 2019 target (frequency rate < 6) was set in line with the rate for the industry sector in France (5.05).

d) Group and Bernin Severity Rate

Month	SG Bernin FY 18	SG Bernin FY 19	Group SR FY 19
April	0.02	0.14	0.13
May	0.03	0.14	0.13
June	0.03	0.16	0.15
July	0.05	0.17	0.16
August	0.06	0.21	0.19
Sept.	0.06	0.21	0.19
Oct.	0.06	0.21	0.18
Nov.	0.09	0.22	0.19
Dec.	0.11	0.24	0.20
January	0.11	0.25	0.21
February	0.10	0.25	0.20
March	0.11	0.23	0.19

The Group's annual severity rate was 0.19.

An assessment is automatically carried out for all lost-time accidents and any other significant accident or near misses. These analyses are carried out using the 8D methodology and problem tree analysis, in working groups, with the victim present if possible, as well as CHSCT, Medical Department and HSE representatives. These are steered by managers and are intended to:

- precisely identify the root causes of accidents;
- determine and implement preventive and corrective actions;
- maintain traceability of all of these events and monitor improvements of the system;
- provide feedback to staff regarding these accidents.

The report of the assessment is then forwarded to the CHSCT, the Medical Department, the victim and their line management. A summary is sent to all employees in the monthly newsletter Safe, to share the feedback.

An internal procedure titled "Dealing with Safety and Environmental Accidents and Incidents" describes how to send the report depending on severity of the accident.

e) Lost-time accidents among site subcontractors

During 2018-2019, there was just one lost-time accident which affected an employee of an external company working at Soitec.

Analyses of accidents, involving 8D analyses for lost-time accidents, are systematically requested from companies concerned *via* their clients.

A report on all lost-time accidents, or of all other significant accidents or near misses, is made by a working group with the participation of Soitec's client, the manager of the subcontracting company, the HSE Department, and a representative of the Soitec CHSCT.

f) "Safe" program

Since April 2007, a safety management program called "Safe" has been in place, with the objective of ensuring sustained safety performance equal to the standards of the profession.

During 2018-2019, 15 "Safe" sessions enabled training to be provided to 159 employees and 13 managers.

3.2.1.2 Well-being and working conditions

Soitec is committed to measures for the promotion of the Quality of Working Life (QWL) over the long term. This is an ongoing concern and an area for priority action within our social policy. For each employee, working at Soitec must be a pathway to professional and personal development, while being in keeping with a good work-life balance. For several years now, we have been providing all our employees with the means of expressing themselves and taking action to identify areas for improving the workplace environment and organization. Everyone has a role in preventing risks and introducing conditions which guarantee well-being in the workplace, and everyone has their own point of view and means of taking action. It is with this in mind that the QWL and teleworking agreements were signed and that the quarterly questionnaires were launched.

3.2.1.2.1 Improving the Quality of Working Life

a) QWL agreement

After several discussions with our social partners, a QWL agreement was signed in September 2018. This brings together a set of constructive measures aimed at defining, with the social partners, the shape of QWL within the business, the methods, tools, and actions to be rolled out. Other than the identification of the various stakeholders in QWL and their respective roles, the agreement highlights the multiple areas for action.

It therefore seemed essential to structure the measures for the improvement of QWL by taking in action in four areas:

- the organization of work (rhythm and form of work);
- the meaning given to the work (source of motivation and acknowledgment);
- the workplace community (diversity, respect, fairness, dialog);
- the workplace environment (living conditions).

In each of these areas, we have identified actions and strategies for improvement including, in particular, the "right to disconnect".

An annual Monitoring Commission, comprising representatives from the Company, each trade union, and from "Lab'QVT" (a group of employees who volunteered to work on the issue) has been set up. The members of this Commission can discuss the actions implemented in the context of the agreement and ensure that the questions submitted *via* the QWL Target questionnaires (see below) enable the various aspects of QWL identified in the agreement to be addressed. The answers to the questions will therefore be used as an indicator to clarify the subjects to be given priority in terms of QWL efforts.

b) QWL questionnaires and actions for improvements

In addition to the framework established by the agreement on methodology negotiated with the social partners, the "Lab'QVT" initiative has created a steering tool: the periodic "QWL Target" questionnaire aimed at measuring employee sentiment on a regular basis.

The employees taking part in the "Lab'QVT" initiative are working with an external service provider to identify QWL topic-related questions to bring out the feelings of employees and any changes over time.

Accordingly, in May and October 2018, Soitec employees answered around twenty questions relating to:

- workload;
- cooperation with other teams;
- mutual help within their own team;
- the working environment;
- work-life balance;
- professional equipment, materials and tools;
- mental tiredness at work;
- physical tiredness;
- level of recognition;
- quality of information within the Company;
- relations with management;
- team or department meetings;
- and the feeling of being listened to.

The high participation rate for these two questionnaires (85% and 88% respectively) demonstrate the level of interest in QWL among Soitec employees and the participative approach undertaken. The answers given mean that weak signals can be detected and, therefore, a response provided more rapidly to avoid situations getting worse. Moreover, the issues which are clearly identifiable enable corrective action or improvements to be targeted.

The answers given to the questions are analyzed collectively, at debriefing meetings led by managers: the aim is to discuss areas for improvement and identify specific actions to be taken. We want to make quality of working life a key focus for team management. The challenge is to get employees themselves involved in and committed to improving the quality of working life within their own teams.

Around one hundred specific actions that are achievable within a few months have accordingly been identified by employees following each questionnaire, and listed by the HR Department in a monitoring chart. Work has also been carried out to provide support for managers in monitoring the state of progress of the action plans. After the first questionnaire in May 2018, 59% of the action points were completed. Half of these related to the three topics given the lowest scores. 106 new action points were identified at debriefing meetings following the October questionnaire.

To maintain the dialog put in place with the social partners, the CHSCT is kept informed about the results and assessment carried out following each questionnaire.

Between May and October 2018, Soitec's global score improved by 3 points. A more detailed analysis of the responses shows teams that have significantly improved their overall scores and, conversely, those falling the farthest behind. Each team defines one or several actions for improvement relating to one of the three topics with the lowest scores. Then, at the time of the next questionnaire, the impact of these actions taken will be measured and adjustments made if necessary.

To encourage managers to support and commit to this approach, training sessions and support for new managers are organized with the service provider. The aim is to provide them with support in feeding back the results to their teams, leading discussions and the identification of areas for action by their employees.

c) Offer access to "alternative medicines"

OSTEOPATHY SESSIONS OFFERED TO EMPLOYEES

We have re-run the osteopathy workshop for employees launched at the Health, Safety, and Well-Being Days held in November 2016: providing employees the opportunity to have a one-hour osteopathy session, free of charge, in the workplace. Consultations are provided by a certified osteopath from the Grenoble region. During 2017-2018, 140 employees took up this opportunity. These sessions continued at a similar rate during the first quarter of 2018-2019. This service is financed by the insurance firm, Generali, under a personal protection policy taken out with this organization.

AND FOOT REFLEXOLOGY TECHNIQUES TOO

During the Health & Safety Days in May 2018, we offered a foot reflexology workshop on an experimental basis, supported by the workplace physician. This allowed employees to discover a method based on massage techniques and claiming the same benefits.

Some twenty practitioners were involved over the course of two days and thereby enabled over 150 employees to test a different, and complementary approach to traditional medicine.

Given its success, at the recommendation of the workplace physician and in conjunction with the employee representatives on the CHSCT, the "foot reflexology" service replaced osteopathy with effect from September 2018. This is scheduled up until June 2019 on the basis of two days per month, thereby providing 160 sessions free of charge to employees.

This service is also financed by insurance firm, Generali, under our personal protection policy.

3.2.1.2.2 Well-received roll-out of teleworking

After a successful initial experimental phase launched in 2017, a teleworking agreement was signed in April 2018 by management and all of the union organizations.

Since then, 124 employees have chosen this method for the organization of their work. 55% of these employees prefer the flexibility of occasionally working from home, while others divide their working time between Bernin and the home in a more structured manner. 43 managers now have teleworking employees in their teams, across all types of departments and all areas of the business. Feedback on the experience of teleworking confirms that the flexible organization of work enables employees to improve the quality of their working conditions (calm environment favorable to analysis and report writing tasks) and also improve how they handle constraints in their personal lives (travel time, parenting issues). The agreement is valid until 2021.

Although this is not the primary purpose of this agreement, teleworking clearly has a positive impact on the Company's carbon footprint, by reducing individual car travel to and from work.

3.2.1.2.3 Other agreements

During 2018-2019, the following agreements were also signed:

- "For an Inclusive Company at Every Age" (see section Inclusion at Soitec);
- "Exercising Union Rights" (see section Toward better social dialog);
- Agreement in the context of the Mandatory Annual Negotiations on salaries (see section Toward better social dialog).

3.2.1.3 Inclusion in the workplace

We, together with the employee representative bodies, wish to make the Company a good place to work, whatever your age.

On this basis, an agreement entitled "For an Inclusive Company at Every Age" was signed with all of the union organizations in December 2018.

This agreement sets out measures promoting age diversity, in particular by facilitating the integration of young people into the world of work.

Concrete action has been taken aimed at making us more attractive to young graduates and at promoting their commitment to the Company in the long term.

Faced with the large volume of recruitment during this period of growth, we place great emphasis on attracting young people, organizing the transfer of knowledge, and enabling each individual to find his or her place within the business. This is why the agreement For an Inclusive Company at Every Age touches on subjects as wide-ranging as the Company's profile on social media, the process used for the on-boarding of new hires, mentoring, opportunities for promotion within the Group, career-long training and professional development, job description flexibility, and the continuing employment of the oldest senior employees.

3.2.1.3.1 Targeting gender equality

a) Moving towards a new gender equality agreement

PASCAL LOBRY
HR Director

"How to address stereotypes, representations, gender demands, sexist practices effectively?"

For this 10th agreement on gender equality in the workplace, Soitec confirms its intention to tackle the deep-rooted causes of gender inequalities. How to address stereotypes, representations, gender demands, sexist practices effectively? How to get employees involved as much as possible and fight powerful resistances at work in all businesses and at all levels, and especially to obtain results that go beyond simple undertakings in principle? The aim of the negotiations underway is to identify, with the social partners, what concrete action can be taken in response to these questions and how to modify practices and behaviors on a long-term basis.

The new actions contemplated include:

- training on gender equality and stereotypes;
- setting up a tool to identify examples of sexism within the business;
- an analysis of the root causes of the career differences between men and women to define effective improvement measures;
- or the process used in the event of reports of sexual harassment or discrimination.

- The agreement is due to be signed during the first quarter of the 2019/2020 fiscal year.

CHANGE IN SALARY EQUALITY INDEX

Law 2018-771 of September 5, 2018 on the freedom to choose one's professional future imposed an obligation on companies with more than fifty employees to measure and correct pay gaps between men and women.

We therefore published, before March 1, 2019, the index of salary equality between men and women for 2017-2018 and, in June 2019, for 2018-2019.

The rating out of 100 is based (for 40%) on the measurement of any pay gaps recorded within each age group for each job grade; gaps regarding access to individual pay rises (20%) and to promotions (15%) between men and women; compliance with obligations for the re-valuation of salary during maternity leave (15%) or adoption leave; and the proportion of the ten highest paid positions held by women (10%).

Our index was 84 points out of 100 as at March 31, 2018. This score highlights the equal treatment afforded to men and women during the process for the 2017 individual pay rises (20/20), a few rare pay gaps for comparable levels of responsibility and ages (with a score of 39/40), and complete compliance with the law on pay rises applied upon the return from maternity leave (15/15). To a lesser extent, the index highlights reduced access to promotion for women in 2017 and a very low level of women in top-level management. these are two major areas for improvement for Soitec in the coming years.

For 2018-2019, our index improved to 89 points out of 100. The low pay gaps give 39 points out of 40 and we note the progress made in the overall rating for the reduction in the gap between the number of women promoted compared with the number of men promoted. The recruitment of a woman to one of the 10 best paid positions has nonetheless not been sufficient to improve this aspect, and we are continuing our efforts in this area.

b) "All together toward diversity"

The initiative "All together toward diversity", involving an equal number of motivated male and female volunteers, had rolled out a campaign aimed at raising awareness of gender stereotypes and assumptions during the 2018-2019 fiscal year. To complete its communication campaign, in July 2018, the Diversity initiative group invited employees from the Company to share anonymously or otherwise any sexist comments or situations which they might have witnessed or been victims of during their working lives at Soitec.

The comments reported spoke for themselves: they highlight the type of ordinary sexism encountered on a daily basis, both at Soitec and elsewhere, and the impact this has on victims who still recall certain comments made 10 years earlier.

Some examples of the situations reported by employees:

- "At the Group meetings, it's always a woman, even if there is only one present, who is designated as the volunteer to take notes and draw up the minutes. I find this unacceptable", or, again "You're okay, you've noted everything correctly for the minutes?";
- "On joining a meeting: at last, we've got someone to go get the coffees";
- "Ask the girl", "You'd really need to check with the 'young lady', "Being called 'the girl' or the 'young lady' as a joke might not be unpleasant, but it's still sexist";
- "Talking about the mood swings of a female manager, lots of nods and winks about her periods";
- "Comments about clothing: summer skirts, dresses, t-shirts";
- "A situation arises in which an answer is required from my immediate superior. But it's an answer which I can give. My female contact refuses to take my answer into account and wants THE answer from my immediate superior. My male colleague gives the same answer and this time, it's accepted!"

These findings, in the context of the ongoing social dialog, enabled combating stereotypes and sexist practices to be defined as one of the key issues in the future company-level agreement on gender equality. The shared objective of the trade unions and management is to go further than a declaration of intent and simply dealing with the symptoms, and instead to attack the root causes of the situation.

c) Improved gender balance company-wide and more women on decision-making bodies

For the first time in three years, and thanks to a proactive targeted Group-wide hiring policy, we were able to increase the proportion of women from 33% last year to 34.5% this year.

This year also, a woman was hired to a position on the Executive Committee: her recruitment marks the start of the process of appointing more women to this decision-making body. Promoting access for women to the very highest managerial positions is a central issue for Soitec and is receiving the full attention of management and of the Board of Directors.

d) Combating indirect discrimination

To guarantee all employees the same retirement benefits in the context of Soitec's supplementary retirement scheme, we have launched a process with our broker Ilyum to have our provider, Aviva, use a single-sex mortality table for the calculation of annuities. In fact, the mortality table widely used by providers to calculate annuities under defined-service regimes (Art. 83), and by Soitec's provider in particular, differentiates by gender and therefore provides lower annuities to women than to men, despite identical contributions paid by the employer throughout their professional careers. Even where such differentiation is permitted by law, we are committed to ending this practice which discriminates against our female employees in comparison with their male colleagues, that an actuarial approach cannot justify.

e) Action on diversity with "Polytech" students

At Grenoble's Polytech engineering school, a working group has been set up focusing on workplace gender equality. We were invited to give a presentation at their annual event linked to the International Women's Day and we presented the Company's actions to promote diversity to students and lecturers. These went from the first company-level agreements to the awareness-raising activities carried out as part of the diversity initiative, and the use of inclusive terms when drafting recruitment offers.

3.2.1.3.2 Employees with disabilities

a) Percentage of employees with disabilities

For 2018, the rate of indirect employment of people with disabilities stood at 5.90%.

During the period 04/01/2018 through 03/31/2019, with the recruitment of one employee under a permanent work contract, three employees under work-study contracts, and the acknowledgment in 2018 of one employee's disability, a total of 57 employees were registered as disabled.

b) A renewed commitment as a leading local employer to employing people with disabilities

We reiterated our commitment to the recruitment of people with disabilities by hosting the third edition of LinkDay® (organized by our partner Execo) on Tuesday, May 29, 2018 at our site for the first time.

With around 20 businesses (major groups and medium-sized companies) and over 70 candidates present on the day, the event brings people with disabilities and potential employers together in creative workshops and at scheduled or spontaneous interviews. This discussion-filled day also offers an opportunity to raise the awareness of Soitec's employees by creating an activity that is visible on the site and offering managers the chance to take part in workshops with disabled candidates.

Thanks to these meetings, two hires have been finalized (permanent work contract and work-study contract).

We are continuing our partnership with Execo, taking part in the fourth edition of LinkDay®, on April 9, 2019, at the premises of another industrial company in the Grenoble region.

We used the disability work-study program ("PAH") once more between March and June 2018, with our partner, Ohé Prométhée Isère. The aim is the provide support for people with disabilities (young people or those making a change in career) with their search for a work-study program, offering them priority access to four partner companies, including Soitec.

c) Co-financed "CESU" checks (Universal Employment Services Checks) for disabled children aged under 10

In the context of our disability policy, we are also developing measures to help employees who are also taking care of close family members by awarding them additional paid vacation and, for those of our employees with children with disabilities who are under 10 years of age, the option to receive "CESU" checks co-financed by employer. This benefit is otherwise reserved to parents of children under four years of age.

This year, three employees have received this benefit which has been continued for future years.

3.1.2.3.3 Other actions to promote inclusion

a) Generation: Inclusive agreement for all ages

Convinced that a company's wealth can be found in the diversity of its employees, skills and experiences, we aim to develop a harmonious diversity of generations at work in our Company. This requires that each person feels welcomed and respected within the Company, whatever his/her age, and more generally whatever his/her differences (gender, race, sexual orientation, disability, etc). With this in mind, the "For an Inclusive Company at Every Age" agreement (*Pour une Entreprise Inclusive à Tout Âge*) was signed in December 2018. It provides for self-development at all ages and times of professional life. This agreement aims to:

- set age brackets so that young and senior populations are consistent with Soitec's working conditions and jobs;
- promote an inclusive corporate culture where differences have their place and are recognized as a valuable addition to the collective work effort;
- promote maintaining employment of the most senior employees.

The aim of the agreement is to encourage a spirit of openness and to include all generations' viewpoints. Beyond the necessary diversity of populations (ages, genders and skills) in the teams and departments, this also takes place through employee recruitment methods and by access to training that guarantees the maintenance and development of skills. Whether through all types of communications, activities offered to employees or benefits offered (health care coverage, for example), it is essential for Soitec to promote and develop collaborative work and intergenerational exchanges.

b) Recruitment by simulation method

Along with the Job Center (Pôle Emploi), Soitec continues to recruit production operators using the recruitment by simulation method, which promotes the diversity of profiles and avoids potential bias that occurs when the initial selection results from the analysis of application letters and CVs.

The method takes place as follows:

- a collective information session to present the Company and the position;
- several exercise sessions to test know-how and soft skills;
- and lastly interviews with recruiters and managers.

This year, one session was organized every month and 55 people joined our Company thanks to this method that guarantees a mainly skills-based recruitment.

c) Exceptional purchasing power bonus

In response to the so-called "yellow vest" (gilets jaunes) crisis, the exceptional purchasing power bonus was one of the provisions of law no. 2018-1213 of December 24, 2018 on emergency economic and social measures.

Although the wage policy implemented for 2018-2019 had been approved by all trade union organizations, the Company decided to go beyond the measures already in force and grant a bonus subject to compensation conditions to allow a significant share of employees to benefit from the tax and social charge exemption provided by the law. In January 2019, this bonus was paid to 520 employees, or 44% of the workforce, ranging from €300 to €1,000.

3.2.1.3.4 Turning its employees into shareholders

In the continuation of the Share Plans for All (PAT) of March 2018 that aimed to recognize the past efforts and seniority of employees, the Board of Directors decided to implement two free ordinary share allocation plans for the benefit of all Group employees. These forward-looking Group incentive plans entered into force on July 26, 2018. They concern all Group companies worldwide, with one for the French scope and the other for the rest of the world, and cover a number of shares representing in total 1.1% of the Company's share capital at end July 2018.

Subject to continued employment and performance conditions, these plans are an incentive for all Soitec's employees to achieve the ambitious sustainable and profitable growth targets set for 2019 to 2021. They include two performance targets: growth in revenue and EBITDA, and refer to the annual budget values for the three years of the plan.

Thus, subject to continued employment within a Group company up to July 26, 2021, the employees will receive free conditional rights to a number of shares in proportion to their gross compensation. This number varies from around ten to over 2,000 shares, with an average of over 310 free shares per person.

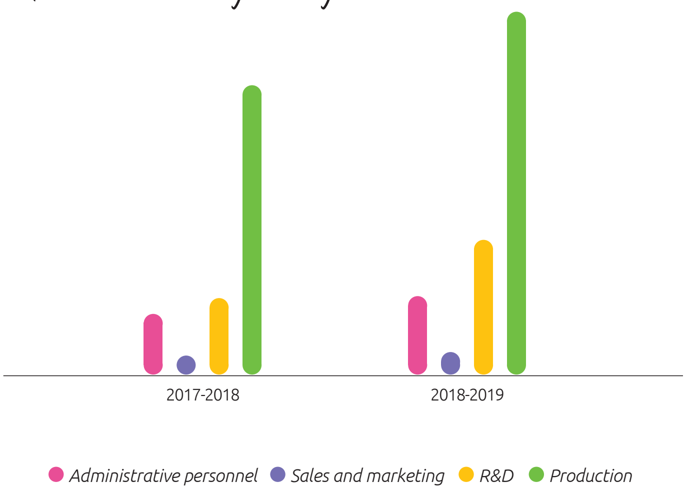
For more details concerning the free share allocation plans that entered into force on July 26, 2018, please consult Chapter 7 of the 2018-2019 Registration Document.

3.2.1.4 New talents

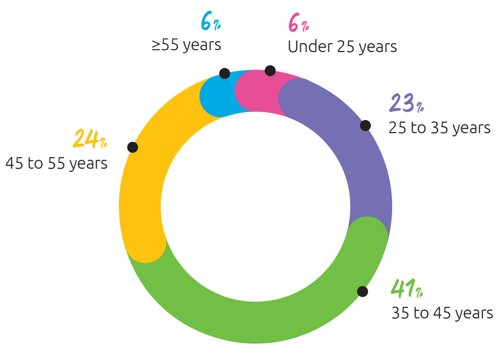
Soitec is currently operating in a sustained growth environment, resulting in a dynamic recruitment policy.

In order to attract new talents that correspond to its challenges of diversity and a balanced age pyramid, Soitec takes part in several job fairs (IUT 1 in Grenoble, Training Pôle in Moirans, Phelma Engineering School Forum, Job Dating INPG). Soitec also took part in the digital forums "Female Engineers" (in November 2018) and "Jobs in Data" (in February 2019) *via* the virtual recruitment platform Seekube.

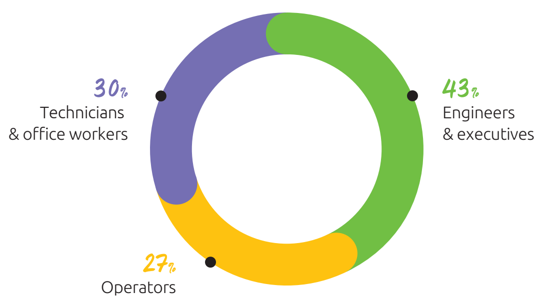
› *Breakdown of employees* as of March 31, 2019 by activity*



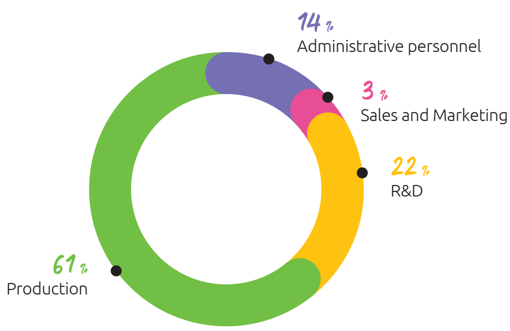
› *Breakdown of employees as of March 31, 2019 by age group*



› *Breakdown of employees** as of March 31, 2019 by category*



› *Breakdown of employees** as of March 31, 2019 by activity*



* *Held positions.*
** *Registered staff.*

› Breakdown of registered employees as at 3/31/2019

Status of employees	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics Asia Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego	Group FY19	Group FY18
Workforce at March 31, 2019	1,267	28	133	2	1,430	1,092
• of which fixed-term contracts*	131	-	6	-	137	127
• Men	851	19	88	2	960	729
• Women	416	9	45	-	470	363
Breakdown by age bracket *(as a %)*	1,267	28	133	2	1,430	1,092
• under 25 years of ages	6	4	7		6	6
• from 25 to 35 years	23	11	27	50	23	21
• from 35 to 45 years	41	31	45	50	41	43
• from 45 to 55 years	25	25	15		24	25
• >= 55 years	5	29	6		6	5
Breakdown by category *(as a %)*	1,267	28	133	2	1,430	1,092
• Operators	29	0	19	0	27	33
• Technicians & office workers	30	7	27	100	30	31
• Engineers & executives	41	93	54		43	36
Breakdown of female employees by category *(as a %)*						
• Operators					36.38	37.74
• Technicians & office workers					27.23	31.13
• Engineers & executives					36.38	31.13

* *The number of fixed-term contracts includes work-study employees.*

› Change in registered employees FY19

Status of employees	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics ASIA Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego	Group FY19	Group FY18
Change in headcount in 2018-2019 (1)	236	14	89	(1)	338	150
• o/w operators	27	-	25	-	52	54
• o/w technicians & office workers	32	-	32	(1)	63	37
• o/w engineers & executives	177	14	32	-	223	59
New hires	404	16	104	-	524	292
• of which new hires under permanent work contracts	232	16	97	-	345	119
• of which new hires under fixed-term contracts	172	-	7	-	179	173
Departures (1)	168	2	15	1	186	142
• of which permanent work contracts	53	1	14	1	69	67
• of which fixed-term contracts	115	1	1	-	117	75
Turnover rate (2)	3.7%	6.3%	6.2%	37.5%	4.1%	5.5%
Resignation rate (3)	1.7%	0.0%	6.2%	37.5%	2.2%	3.13%

(1) Departures excluding Dolphin as arrival during the year.
(2) Turnover rate = (sum of resignations, dismissals & termination by mutual agreement over the last 12 months)/average registered workforce on permanent work contracts.
(3) Permanent work contract turnover rate = (sum of resignations over the last 12 months)/average workforce on permanent work contracts.

The overall growth in headcount is 36.45%.

For the first time in 3 years, in a sector of activity with relatively few women, the Company managed to increase the proportion of women in the total workforce by 1.5 points to 34.5% (excluding acquisition), thanks to proactive recruitment initiatives.

› *Breakdown of average workforce by activity, in positions held*

	EMEA	North America	Asia	Discontinued operations	Group FY19	Group FY18	Growth in headcount: used for the text	
Breakdown by activity *(in number)*								
Administrative personnel	148.1	5.5	19.2	2.7	175.4	136	28.97%	(39.4)
Sales and marketing	32.8	9.3	7.1		49.2	29	69.66%	(20.2)
R&D	291	9.9	0.4		301.3	171	76.20%	(130.3)
Production	732.3		73.7		805.9	640	25.92%	(165.9)
TOTAL	**1,204.1**	**24.6**	**100.3**	**2.7**	**1,331.8**	**976**	**36.45%**	**355.8**

The support and production functions are managed in proportion to the growth in the Group's headcount. Note a specific increase in R&D headcount and a strengthening of the sales & marketing teams.

› *Profit-sharing awards*

(in € thousands)	Profit-sharing paid	Contributions to employee savings plans paid
2015-2016	745	328
2016-2017	909	542
2017-2018	1,636	829
2018-2019	2,606	511

› *Payroll*

(in € thousands)	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics Asia Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego	Group	Payroll FY18	
Payroll in 2018-2019	82,919	3,644.8	6,994.6	297.4	93,920.8	77,950	20.49%
of which employer contributions	26,129	149,4	665.6	12.4	26,956.2	23,860	12.98%

3.2.1.5 Social dialog

3.2.1.5.1 To promote constructive social dialog

Soitec and its social partners express their desire to promote constructive and innovative social dialog, in particular through the negotiation of a new agreement on the exercise of trade union rights. In an economic context that is global, complex, continuously evolving and often unpredictable, the Company's performance and sustainability depend on everyone's ability to understand the surrounding reality. This is necessary in order to adapt in the short term and be able to meet the Company's economic and human challenges. With this in mind, the agreement signed by all trade union organizations in April 2018 aims to:

- encourage social innovation;
- obtain support and unify all employees through rich, participative social dialog;
- strengthen the active partnership with the trade union organizations;
- allocate additional resources promoting better exercise of trade union rights while taking into account the Company's specificities.

Some measures in the agreement are transitory, while awaiting the implementation of the Social and Economic Committee (SEC) at the next professional elections in November 2019. Nevertheless, whatever the framework of the staff representative bodies, the Company is convinced that innovative and creative social dialog is an effective way of supporting the Company's necessary changes, in a spirit of respect and exchange.

3.2.1.5.2 In-house events jointly organized by employees

Involving employees upstream in event planning boosts pride in belonging to the Company. The two major in-house events of the year were organized by a group of fifteen or so voluntary employees:

- the annual corporate evening gala in December 2018 which was entirely organized by Company employees. They proposed, organized and steered the evening and entertainment for the event which brought together over 564 participants and obtained a record satisfaction level of 95%;
- an Open House Day for families of employees actively prepared since Winter 2019. Held in mid-May 2019 at the Bernin site, it offers a fun, convivial time of sharing to over one thousand people – Soitec employees and employees of external companies with their families. This event featured workshops that were designed and hosted by employees and which enabled visitors to find out more about Soitec, its activities and businesses.

This type of organization made for a more spontaneous and convivial time than the more formal events of the past. The tremendous satisfaction expressed by employees on both counts has reinforced Soitec's belief that it is important these events be organized for, and by, employees. The same approach will be used next year.

3.2.1.5.3 Mandatory Annual Negotiation Agreement (NAO) signed unanimously

Each year, the Company is committed to ensuring that our salary policy, and in particular the resources granted to merit raises and promotions, is consensual and not the result of a unilateral decision. For this reason, particular attention is paid to the annual salary negotiations with the trade union organizations which most often enable an agreement to be found with the organizations that represent the majority of employees. In June 2018, this agreement, building on a dynamic salary policy, was signed unanimously by all trade union organizations.

3.2.1.5.4 A shared diagnosis to prepare for the creation of the Social & Economic Committee (SEC)

In accordance with the provisions of Ordinance no. 2017-1386 of September 22, 2017 on the new organization of social and economic dialog within companies and promoting the exercise and valuing trade union responsibilities, the implementation of a Social and Economic Committee which will replace the different employee representative bodies, should take effect in November 2019.

In view of this major change, we were committed to proposing forms of dialog to the trade union organizations upstream to identify the issues, and as far as possible, share them in order to install the foundations for constructive and productive social dialog during the negotiations to set up this new body. Thus, on March 21, 2019, Soitec brought together all players in the Company's social dialog, under the responsibility of the Dialogues association, coordinated by experts from trade unions and companies with the aim of "helping to build high quality social relationships, that meet the challenges, without obstacles or taboos". The day enabled a shared diagnosis to be found on the state of social dialog in order to better prepare the implementation of the SEC in November 2019.

The meeting, which took place in a co-working area conducive for interaction in Meylan, facilitated the negotiations that followed in a more conventional format.

3.2.2 PLANET

As early as 2001, ISO 14001 certification was obtained, supplemented by ISO 50001 certification in 2015. Environmental and energy management systems make it possible to accurately and regularly assess the Company's environmental impact and to implement continuous improvement actions.

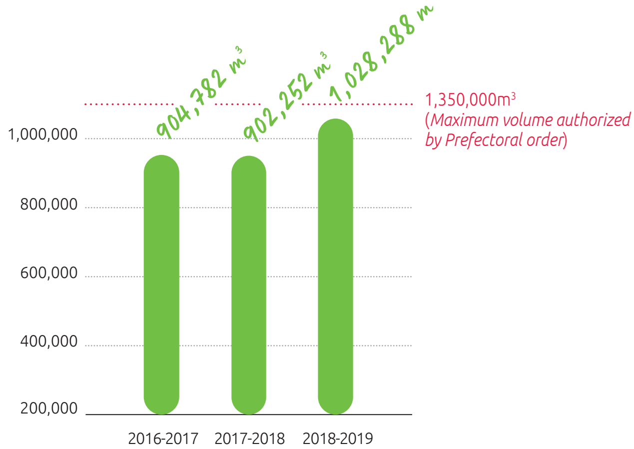
In 2018, Soitec obtained ISO 14001 certification version 2015.

Since their implementation, the environmental and energy management systems have not been subject to any major non-compliance during audits.

The General Management team's leadership and commitment towards environmental and energy management systems are reflected in particular in the operational department reviews carried out every quarter and a more general annual review of the systems.

Through these regular reviews, the Management team ensures that the systems achieve the expected results.

During the annual review, achievement of the targets for the past year are measured and the targets for the following year defined.



3.2.2.1 Reducing and optimizing the use of natural resources

3.2.2.1.1 Water consumption

Soitec's water comes from the public drinking water supply managed by the town of Bernin.

Pursuant to a prefectoral order, the annual maximum withdrawal from the public water network is 1,350,000 m^3.

Water is used in numerous activities:

- provision of industrial water:
  - production of ultra-pure water,
  - production of iced and hot water,
  - cooling systems using cooling towers,
  - gas discharge cleaning: gas scrubbers;
- provision of drinking water (sanitary facilities, kitchens).

A working group was set up in 2018 to manage, optimize and recycle our water consumption.

The main actions undertaken were to:

- conduct a study on water consumption;
- review metering on site;
- define the main contributors;
- implement monitoring indicators;
- and afterward, conduct actions to reduce water consumption.

For this, a SANKEY diagram was created to highlight the main water consuming activities. Since 2016, this diagram has been updated annually in order to redefine the main contributors and focus water recycling actions.

This Sankey diagram was updated with the meter readings for the 2018-2019 fiscal year.

Thanks to the different recycling actions implemented mainly on the Facilities Department installations, gross water consumption for the site remains generally under control despite an increase of over 8% of the consumption of ultra-pure water mainly due to the growth of the Bernin 2 plant.

Since 2017, the Septoperm project has been implemented (main action to reduce water consumption), which aims to recover septron module concentrates from the ultra-pure water facilities at the B1 and B2 production sites and use them to supply "softened" water to the gas scrubbers and boilers at B1 and B2. Module 2 of the gas abatement system for the epitaxy equipment in building K is also fed by this source.

Previously, these concentrates were considered as discharges and sent to the neutralization facility.

3.2.2.1.2 Energy efficiency

Certified ISO 50001 since 2015, Soitec aims to better manage its energy consumption and takes actions to measure and improve its energy efficiency and use of renewable energies.

As part of the energy management system, an energy review is carried out annually.

For 2018-2019, this energy review enabled Soitec's significant energy uses (SEUs) to be identified and actions to address them set up.

The main actions are:

- the commissioning of hydrogen generators on the implanters in the clean room to recycle hot air extracted from the implanters to save fresh air blown into the clean rooms. This represents a savings of 190 MWhep/year;
- Soitec continues to deploy speed controllers;
- this year, a new generation cooling system with better energy performance was commissioned. This cooling system also uses HFO gas, an alternative gas to conventional refrigerants that has virtually no impact in terms of potential greenhouse effect (GWP < 1).

  After one year of operation, the initial results show a higher performance coefficient with a decrease of around 15% in energy consumption compared to the old cooling system.

  In view of the performance demonstrated by this cooling system, the Company decided to invest in a second cooling system of the same model, installed since March 2018, to deal with the increase in capacity in another clean room;
- all clean room equipment has been evaluated as "primary energy" to identify the most energy-intensive equipment and prioritize action plans. Several opportunities have been identified for optimizing parameters. Structurally, the conversion of safety exhaust (channel that evacuates gas chemicals or calories) into heat exhaust has continued, thereby recycling more air.

Overall, while site consumption of primary energy (gas and electricity) has increased by 7.2%, these actions have significantly increased production while at the same time reducing Soitec's energy footprint on the finished product by more than 12% (kWh per wafer)compared to fiscal 2017/2018.

IN 2018-2019
AT CONFIRMED ISOPERIMETER

-1.5%

in electricity consumption

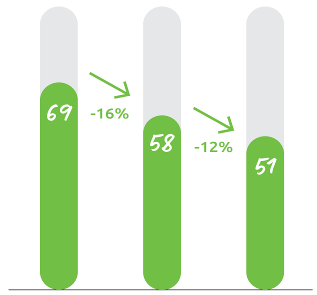
-3.1%

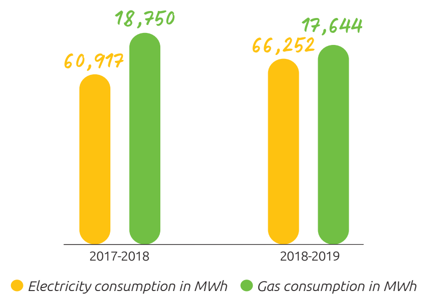
in gas consumption

EQUIVALENT PRIMARY ENERGY PERFORMANCE OF

2.9%

› Consumption kWh/wafer





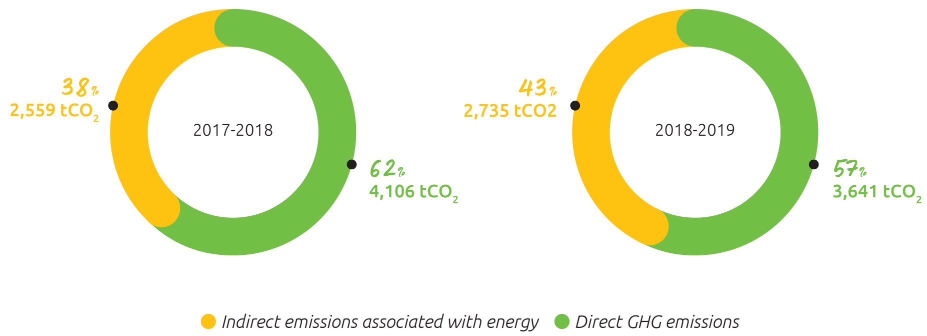
3.2.2.2 Regulating impacts on climate change

3.2.2.2.1 Carbon footprint

Soitec's carbon footprint report was updated with the data for the 2017-2018 fiscal year.

Pursuant to the Decree of January 25, 2016, relating to the IT system for sending greenhouse gas emission reports, Soitec's 2014 carbon footprint report was recorded on ADEME's IT platform. It relates to the limits set by law no. 2010-788 of July 12, 2010, relating to the National Commitment to the Environment and complies with the specifics described in the implementing decree no. 2011-829 of July 11, 2011. The tables below refer to the measurements taken from January 1, 2014 to December 31, 2014. Therefore, only scopes 1 and 2 (direct and indirect emissions relating to electricity and heat consumption) are recognized as follows:

			Greenhouse gas emissions						Greenhouse gas emissions avoided
Emission category	**Number**	**Emission type**	**CO_2 (t CO_2e)**	**CH_4 (t CO_2e)**	**N_2O (t CO_2e)**	**Other gases (t CO_2e)**	**Total (t CO_2e)**	**CO_2 b (t CO_2e)**	**Total (t CO_2e)**
Direct greenhouse gas emissions	1	Direct emissions from fixed combustibles	3,096	8	37	0	3,141	0	0
	2	Direct emissions from mobile combustion engines	64	0	1	0	64	4	0
	3	Direct emissions from procedures (other than energy)	0	0	0	375	375	0	0
	4	Fugitive direct emissions	0	0	0	25	25	0	0
	5	Emissions from biomass (ground and forest)	35	0	0	0	35	0	0
	Subtotal		**3,195**	**8**	**37**	**400**	**3,641**	**4**	**0**
Indirect energy-related emissions	6	Indirect emissions linked to electricity use	2,735	0	0	0	2,735	0	0
	7	Indirect emissions linked to use of steam, heat, or cooling	0	0	0	0	0	0	0
	Subtotal		**2,735**	**0**	**0**	**0**	**2,735**	**0**	**0**



Please note: in the ADEME carbon footprint assessment database, the factors applied are those applied in 2016. For gas, the emissions factor applied is in LHV.

Soitec's total 2018 GHG emissions amounted to 6,376 tCO_2e.

As the business (measured in number of wafers produced) increased by +105% over the same period, this corresponds to a 50% reduction in Soitec's GHG emissions between 2014 and 2018 at constant business.

The main action carried out in 2018, and one that will continue over 3 years, is the investment made in a cooling system with twice the performance coefficient of the unit it replaced. As well as being efficient, this system will be the first in France to run on hydrofluorolefins (HFOs), an alternative gas to conventional refrigerants that has virtually no impact in terms of potential greenhouse effect. The cooling systems will be all changed over 3 years.

3.2.2.2.2 Promoting more sustainable forms of transport

The teams' awareness is being raised *via* the Company's intranet to more sustainable forms of transport: buses, bicycles, trains, car sharing. Information is available to employees in the different relaxation rooms. Soitec holds events throughout the year about sustainable transport in the cafeteria and during the Regional Mobility Day.

Once again this year, self-service electric bicycles have been made available to employees from April to November.

Since 2018, 6 charging points are available for employees to recharge their electric vehicles.

In 2019, the Company signed an agreement to implement an Inter-Company Mobility Plan (PDMIE) with the Grésivaudan local authorities.

Here are a few actions:

- in March 2019: marking a car-sharing parking place at the site's main entrance;
- event in March 2019 about the Citiz car-sharing cars, at the site's cafeteria;
- event in May 2019 about home - work means of transport;
- event in June 2019: Regional Mobility Challenge.

3.2.2.3 Limiting pollution

3.2.2.3.1 Atmospheric discharges

a) Characteristics and prevention

The main gaseous discharges from the site originate from:

- **the production activity** related to the use of various chemicals which include:
  - liquid products: hydrochloric acid, hydrofluoric acid, ammonia, isopropyl alcohol, slurry, acetic acid, etc.,
  - gaseous products: hydrogen chloride, ammonia, etc.

  Such products are responsible for the emission of pollutants: volatile organic compounds, chlorides, fluorides, ammonia, etc.;
- **boilers** that emit nitrogen oxides, carbon monoxide and carbon dioxide.

Three types of prevention have been put in place:

- **collection**, with two extraction networks on the site:
  - a network for collecting effluents carrying acid and toxic gases,
  - a network for collecting effluents carrying basic gases.

  These different gases are treated in gas scrubbers specific to the type of effluent;
- **treatment**:
  - gaseous effluents from the production activity are neutralized by spraying water and reagent in the scrubbers. The polluted wash water is recovered and then either treated at an internal neutralization station or eliminated at an approved external treatment center. Some concentrated toxic gases are treated as soon as they exit equipment through scrubbers,
  - a burner on each boiler is used to burn gaseous pollutants in boiler exhaust;
- **monitoring chimney discharges**:
  - gaseous discharges from scrubbers are monitored quarterly by an approved body for the following parameters: acidity (H+), alkalinity (OH-), volatile organic compounds (VOCs), fluorine and inorganic fluorine compounds (HF), ammonia (NH_3), hydrogen chloride and other inorganic gaseous chlorine compounds. The results of the measurements taken are sent quarterly to DREAL;
  - gaseous discharges from boilers are monitored every two years by an approved body for the nitrogen oxide parameter NO_x in NO_2 equivalent. The results of the measurements taken are sent to DREAL.

b) Results for fiscal year 2018-2019

During the year, the Company had to face failures to comply with the maximum ammonia flow, which for two equipment units could not be resorbed by the acid gas scrubber. For these two units, the basic and acidic effluents were not differentiated at the start. The increase in production had the effect of structurally exceeding the thresholds, with the initial installation unable to deal with them. The solution, in place since February 2019, was to switch the scrubber into basic functioning. The acidic effluents are removed by spraying water.

The results from the gas scrubbers and boilers are available in Section 3.3.1 CSR Performance/Indicators.

3.2.2.3.2 Aqueous discharges

a) Characteristics and means of prevention

The different aqueous discharges from the site are sewage water (effluents from toilets and kitchen facilities), industrial effluents (effluents from production and technical facilities) and rainwater discharges. Various prevention methods have been put in place at the site according to the type of discharge.

SEWAGE WATER DISCHARGE

Internal sewage water is collected by a separative network connected to the communal sewage network. Domestic wastewater is then treated by the Montbonnot wastewater treatment plant (SIZOV).

INDUSTRIAL WASTEWATER DISCHARGES

Concentrated industrial effluents are recovered in tanks and treated externally. Diluted industrial effluents are collected in internal neutralization stations. They are neutralized by passing them through four successive neutralization tanks where the injection of an acidic or basic reagent returns the effluent's pH to neutral before final discharge into the communal network. A blocking tank diverts and stores the effluent in case of a malfunction of a neutralization station and thus avoids the discharge of a non-compliant effluent into the communal network. Bernin's communal industrial wastewater system discharges into the Isère.

FINALLY, DISCHARGES FROM THE STATION ARE MONITORED AS FOLLOWS:

- continuous monitoring of the pH, temperature and flow;
- monitoring every 6 hours of the ammonia nitrogen parameter;
- daily self-checks for chemical oxygen demand (COD), fluoride (F-), total phosphorus (P) and ammonia nitrogen ($N\text{-}NH_4$) parameters;
- weekly monitoring of biological oxygen demand over 5 days;
- monthly check for total hydrocarbons (HC) and suspended solids (SS);
- comparative analyses of self-checks carried out once a year by an accredited laboratory;
- unplanned and planned checks by local authorities;
- results sent monthly to DREAL and the Bernin Town Hall.

There is a signed agreement between Soitec and the Bernin Town Hall authorizing the discharge of industrial effluent into the communal network.

RAINWATER DISCHARGE

Rainwater from rooftops and car parks is collected in two separate networks. Hydrocarbon separators have been installed to filter rainwater from car parks and traffic areas. Rainwater is then discharged into the site's three storm basins before joining the communal network or seeping into the ground.

Analyses of hydrocarbon concentration, water temperature and pH are carried out once a year on each of the two networks.

b) Results for fiscal year 2018-2019

During the year, the maximum daily concentration of ammonia nitrogen was exceeded on four occasions and the maximum daily flow was exceeded on one occasion.

These occasions were caused by the overflow of the "ammonia" waste containment tank during the commissioning of a new production equipment. As the tank was connected to the neutralization station, this generated a higher concentration of ammonia nitrogen at the site discharge point.

Detailed measurements are available in Section 3.3 CSR Performance.

3.2.2.3.3 Waste management

a) The characteristics of waste and the resources employed

The main categories of waste generated at the site are:

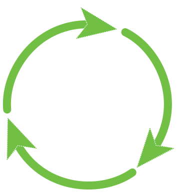
- **non-hazardous waste (NHW)**: cardboard, paper, wood, plastics, glass…;
- **solid hazardous waste (SHW)**: batteries, solids contaminated by chemical products; etc.;
- **liquid hazardous waste (LHW)**: hydrofluoric acid, ammonia, isopropyl alcohol, etc.

Sorting is necessary to recover waste. The resources in place to optimize sorting are:

- an on-site waste platform for NHW sorting which was entirely renovated to optimize waste storage;
- premises for recovering solid HW;
- optimized segregation of liquid HW;
- sorting containers set up within the site's various premises;
- internal audits of Soitec staff and subcontractors;
- staff education.

In order to ensure that waste is properly recovered or destroyed after it leaves the site:

- waste tracking slips are prepared;
- external audits of Soitec's waste treatment providers are performed;
- an annual report on waste production is sent to DREAL.



All waste products are recovered (recycling, recovery of raw materials and energy recovery) **or disposed of at approved centers.**

b) Reducing waste at the source

Different actions have been undertaken according to the types of waste:

- polypropylene plastic chocks are collected and used by one of our raw material suppliers;
- recycled paper is used and staff are encouraged to use double-sided printing;
- reusable containers for the transport of finished products have been introduced to reduce the tonnage of packaging waste;
- at the Company restaurant, recyclable waste is sorted by the users when they return their trays, and biowaste is sent for methanization.

The restaurant operator and Soitec have conducted several awareness campaigns and events on reducing food waste, covering in particular:

- bread waste (there is a charge for the 2nd piece of bread);
- waste-free food;
- plates filled according to appetite.

c) Participating in the circular economy by improving the recovery of certain waste

NON-HAZARDOUS WASTE

Many types of NHW other than paper, cardboard and plastic are recycled:

- plastic containers which contained unclassified chemical products;
- stainless steel and aluminum waste;
- plastic cups;
- wooden pallets;
- food packaging;
- plastic bottle caps and bottles, aluminum cans.

The printer fleet has been streamlined and staff are encouraged to reduce paper use.

A comprehensive waste management service is in place, and a person assigned to handle waste sorting is present on site.

SOLID AND LIQUID HAZARDOUS WASTE

- IPA (isopropyl alcohol) is regenerated and reused as a reagent in the ONDEO treatment facility in Crolles (38).
- Concentrated ammonia is incinerated with energy recovery which is used for heat at the chemical facility at Pont-de-Claix (38).
- WEEE (waste electrical and electronic equipment) is recycled through the charity *Solidarité Enfance*.
- LTO materials are rare. All efforts must be made to recycle them when the wafers are retired. In 2018, collection methods were implemented in clean rooms at the B3 site to collect broken LTO wafers which are then returned to our supplier to be recycled.

The Company is working daily with the waste management service provider to achieve continual improvement in reducing transport of bulk hazardous waste to approved treatment centers.

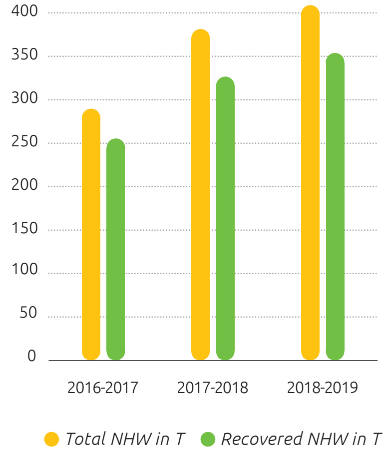
d) Reducing waste volume

The Bernin site has:

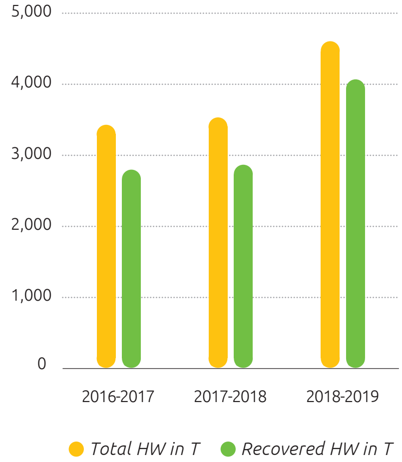
- two cardboard and NHW compactors to reduce the volume of transport needed for such waste;
- 2 evaporators/concentrators, including one set up in 2018, to reduce the volume of bulk ammonia and fluoride HW. The concentrate is sent for incineration with energy recovery, and the distillate is sent to a site neutralization facility.

The management of the waste storage platform is optimized to sort waste as well as possible.

› *Proportion of recovered NHW*



› *Proportion of recovered HW*



3.2.2.4 Preserving biodiversity

3.2.2.4.1 Installation of beehives

With the aim of preserving biodiversity, the Company wanted to restore bees to their rightful place and preserve pollination, by installing a first beehive in 2018 at our Bernin site, followed by a second in April 2019.

8 employees volunteered to be trained in beekeeping for one year with a beekeeper: eventually they will be able to work autonomously and maintain the beehives in turn.

29 kg of honey were collected in 2018. The honey is distributed to employees during an event about honey, beehives and the importance of bees.

In order to raise awareness of young people about bee preservation while discovering the corporate world, in 2019 the Company welcomed the Bernin recreation center and a second year elementary class from a priority education zone for an event at the site. A workshop on bees was also organized by the partner beekeeper and two of the volunteer employees during the Open House Day organized for employees and their families in May 2019.

3.2.2.4.2 A partnership with the department of Isère

Having committed early to supporting sustainable development, Soitec wanted to become more involved in preserving the local regions. The Company signed a partnership with the department of Isère for environmental issues and links with the Sensitive Natural Areas of the Grésivaudan. The department of Isère aims to open up and let the general public discover the natural areas of the Grésivaudan and redefine an identity around the Marais de Montfort located in Crolles, close to Soitec's head office.

Several events have taken place as part of this partnership:

- the department coordinated a conference at Soitec on the Grésivaudan Sensitive Natural Areas (Montfort, Col du Coq, La Bâtie woods) and raised awareness in particular about the preservation of the fauna and flora and other human activities in the region in April 2018;
- 2 outings were organized by a nature speaker, combining the use of electric bicycles for the guided tour of the Montfort marshes and a picnic for the social side in June 2018;
- the Company promoted with its employees the department's call for cultural project to create the marshes identity (e.g. photos, living show, media creation) with the Grésivaudan inhabitants and Company employees in the valley in June 2018.

3.2.3 ETHICAL BUSINESS

3.2.3.1 Business ethics

3.2.3.1.1 Code of good conduct

a) Well-established code of conduct

Over several years, Soitec has acted on a global level, in line with demanding social and ethical principles. A Code of good conduct was adopted in 2013 that outlines the broad principles and guidelines that define our business practices and internal relationships.

This Code defines a corpus of rules that, in accordance with the legal, regulatory and cultural framework of the countries in which the Company operates, are expected to govern the daily individual and collective actions carried out on Soitec's behalf.

It also provides useful guidance for Soitec employees so that they can make the right decisions and take the appropriate action at work, and in general conduct themselves in the most upright and exemplary manner possible.

The Code applies to all countries where the Group's entities operate. It is aimed at all Soitec employees in their dealings with each other and with shareholders, investors, government agencies, authorities, customers and suppliers.

It is appended to the Company's Internal Regulations and is communicated to all employees.

To familiarize staff quickly with the Code of good conduct, Soitec opted to develop an e-learning course. In 2017, a working group was set up to produce a 45-minute module with a final test for employees and external firms working for Soitec on-site. As at March 2019, 70% of Soitec's employees had completed this training.

b) A Code of Conduct that evolves

The Code of good conduct was updated in May 2018 to include the measures in the Sapin II law on "transparency, the fight against corruption and the modernization of economic life", and was sent to all employees in December 2018.

Chapter IV "Relationships with third parties" in the Code of good conduct now includes a sub-chapter on corruption, the gift and invitations policy and the internal whistleblowing system.

3.2.3.1.2 Respect for human rights

The Company is a partner of the Responsible Business Alliance (RBA, formerly EICC) which sets standards to ensure a safe working environment and conditions within the Electronics supply chain or sectors where electronics is one of the main components. This approach focuses on respectful treatment of staff, health, safety, the environment and business ethics.

3.2.3.1.3 Sapin II law compliance/Fight against corruption

Soitec attaches the utmost importance to compliance with the rules prohibiting corruption, influence peddling and money laundering. Soitec adheres in particular to the principles of the OECD Convention, which prohibits any form of corruption. Soitec's commitment to this point is highlighted in its Code of good conduct: "*Soitec supports international action in favor of preventing corruption. It adheres fully to the principles of the OECD convention on the fight against the corruption of foreign public officials in international business transactions and to the 2009 Recommendation of the OEDC that aims to strengthen the fight against the corruption of foreign public officials in international business. Soitec prohibits corruption in all forms in trade relations and complacent behavior with regard to this violation whatever the country in which business in conducted. Soitec also attaches the utmost importance to compliance with rules prohibiting money-laundering*".

The Company also undertakes to comply with the anti-corruption regulations. In 2017, steps were taken to implement the 8 anti-corruption measures defined by the Sapin II law, effective since June 1, 2017.

This approach led to the implementation of an anti-corruption system at Group level including procedures, risk analysis, assessments of third parties and specific communication.

To support the anti-corruption system, the Group recently carried out a training campaign to raise awareness of the employees most exposed to corruption risks in their business relations.

a) Gift & invitations policy

The Gift and Invitations Policy was published in May 2018 and applies to all employees of the Group and its subsidiaries.

It adds to Chapter IV "Relationships with third parties" of the Code of good conduct and aims to support employees in their ethical business relations.

This guide aims to present the good practices to use when offering or accepting gifts or invitations on behalf of Group.

b) Whistleblowing procedure/internal whistleblowing system

Within the framework of the Sapin II law and Soitec's adherence to the standards of the RBA, an internal whistleblowing process is in place.

It enables employees or external service providers to report the existence of conduct or situations contrary to the Company's Code of good conduct or in breach of current regulations on fraud, corruption or influence peddling.

It also guarantees confidentiality with regard to the identity of the whistleblower and the report content in accordance with local legislation and in particular the Sapin II law.

3.2.3.1.4 Tax evasion

a) Tax regulations

The Company strives to comply with the tax regulations in each country in which it operates.

In compliance with local legislation, each legal entity fulfill its obligations of declaration and payment of tax.

Transparency and collaboration of our legal entities and departments with regard to the tax authorities is encouraged in the event of requests for documents or tax audits.

b) Intra-Group transactions

Intra-Group transactions are governed by a transfer price policy that builds on OECD recommendations and in particular the principle of "full competition pricing".

The Group relies on its business model to define a policy that covers all of its intra-Group transactions and to set the applicable transfer prices.

Compensation rates for intra-Group transactions are subject to a comparative study on a global level to ensure compliance of these practices.

3.2.3.1.5 Responsible procurement policy

Soitec has deployed our Quality policy with our major suppliers and subcontractors which send their employees to work at Soitec sites. The Company has prepared a list of requirements for ethics, safety, health and sustainable development.

With a view to sustainability, the Company continuously seeks to streamline our logistics flows and rationalize our shipping containers. Soitec suppliers and subcontractors are systematically involved in such initiatives. Production stages carried out on the raw material upstream of SOI manufacturing are made by American and Japanese subcontractors, in particular for so-called Refresh stages during which silicon wafers from the manufacture of SOI are regenerated as raw material and are thus reused.

3.2.3.1.6 Protecting the health and safety of the consumer

Soitec applies the RoHS 2 (2011/65/EU) directive, which aims to limit the use of certain hazardous substances in electrical and electronic equipment in order to improve consumer health and protect the planet.

Soitec requires its suppliers of wafers, primary packaging and packing materials, i.e., everything the customer will receive, to ensure that their products comply with the "Green Partner" notice (JGPSSI standards and directives – Japan Green Procurement Survey Standardization, RoHS – Restrictive of Hazardous Substances, JIG – Joint Industry Guide). This ensures the absence or restriction of substances that are prohibited, specific, or hazardous to health and the environment in products and their manufacture.

This requirement is accompanied by the commitment to use items that do not pose problems in terms of recycling.

3.2.3.2 Data protection

Mindful of the importance of personal data and the privacy of our employees and stakeholders in general, the Company has been committed to this process for years:

- our first data processing survey was carried out in 1998;
- the rights and duties of each individual have been set out in our information security charter since 2007;
- at Soitec's request, the French Data Protection Authority (CNIL) performed an audit in 2012, when the confidentiality of personal data was enshrined in the Code of good conduct.

The arrival of the new European General Data Protection Regulation (GDPR) was anticipated in 2016 with a renewed focus on this subject:

- a Data Protection Officer (DPO) was appointed in 2016;
- the Company's key people for this issue have been audited to complete the internal record of data processing activities;
- the principle of Privacy by Design has been incorporated in projects since 2017;
- contracts are negotiated with subcontractors handling data under Soitec's responsibility;
- awareness-raising is being carried out across the board to make this topic a key aspect of the corporate culture and to ensure buy-in from all employees.

Apart from regulatory compliance, Soitec is convinced that this new regulation is a real opportunity to improve both internal and stakeholder confidence, which is essential to the development of our business. It will therefore strive for continuous improvement in this area so that everyone's privacy is protected and respected, both now and in the future.

3.3 CSR PERFORMANCE

3.3.1 INDICATORS

› *Breakdown of the registered employees as at 03/31/2019*

Status of employees	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics Asia Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego	Group FY19	Group FY18
Workforce at March 31, 2019	1,267	28	133	2	1,430	1,092
• of which fixed-term contracts*	131	-	6	-	137	127
• Men	851	19	88	2	960	729
• Women	416	9	45	-	470	363
Breakdown by age bracket *(as a %)*	1,267	28	133	2	1,430	1,092
• Under 25 years of ages	6	4	7		6	6
• from 25 to 35 years	23	11	27	50	23	21
• from 35 to 45 years	41	31	45	50	41	43
• from 45 to 55 years	25	25	15		24	25
• >= 55 years	5	29	6		6	5
Breakdown by category *(as a %)*	1,267	28	133	2	1,430	1,092
• Operators	29	0	19	0	27	33
• Technicians & office workers	30	7	27	100	30	31
• Engineers & executives	41	93	54		43	36
Breakdown of female employees by category *(as a %)*						
• Operators					36.38	37.74
• Technicians & office workers					27.23	31.13
• Engineers & executives					36.38	31.13
• Check total is 100%						

* *The number of fixed-term contracts includes work-study employees.*

› Change in registered employees FY19

Status of employees	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics Asia Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego	Group FY19	Group FY18
Change in headcount in 2018-2019 (1)	236	14	89	-1	338	150
• o/w operators	27	-	25	-	52	54
• o/w technicians & office workers	32	-	32	-1	63	37
• o/w engineers & executives	177	14	32	-	223	59
New hires	404	16	104	-	524	292
• of which new hires under permanent work contracts	232	16	97	-	345	119
• of which new hires under fixed-term contracts	172	-	7	-	179	173
Departures (1)	168	2	15	1	186	142
• of which permanent work contracts	53	1	14	1	69	67
• of which fixed-term contracts	115	1	1	-	117	75
Turnover rate (2)	3.7%	6.3%	6.2%	37.5%	4.1%	5.5%
Resignation rate (3)	1.7%	0.0%	6.2%	37.5%	2.2%	3.13%

(1) Departures excluding Dolphin as arrival during the year.
(2) Turnover rate = (sum of resignations, dismissals & termination by mutual agreement over the last 12 months)/average registered workforce on permanent work contracts.
(3) Permanent work contract turnover rate = (sum of resignations over the last 12 months)/average workforce on permanent work contracts.

› Breakdown of average workforce by activity, in positions held

	EMEA	North America	Asia	Discontinued operations	Group FY19	Group FY18	Growth in headcount: used for text	
Breakdown by activity in number								
Administrative personnel	148.1	5.5	19.2	2.7	175.4	136	28.97%	(39.4)
Sales and marketing	32.8	9.3	7.1		49.2	29	69.66%	(20.2)
R&D	291	9.9	0.4		301.3	171	76.20%	(130.3)
Production	732.3		73.7		805.9	640	25.92%	(165.9)
TOTAL	**1204.1**	**24.6**	**100.3**	**2.7**	**1331.8**	**976**	**36.45%**	**355.8)**

› Wage gaps between men and women

	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics Asia Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego
Compensation gap by category				
All female employees				
o/w operators	-0.8%		11.3%	
o/w technicians & office workers	-1.3%	*	5.5%	*
o/w engineers & executives	-11.1%	-2.1%	-28.6%	

** 2 people.*

With regard to the operator category, the compensation gap remains low at the Bernin production site (-0.8%). For the Pasir Ris site, the wage gap is very favorable (+11.3%); it is not possible to compare it to the previous year due to the relaunch of activity this year.

The wage gap remains stable for technicians.

The wage gap between men and women has increased in France and EMEA (11.1% compared to 9% for Bernin the previous year). This difference is due to the consolidation of new entities in the scope of consolidation. Soitec continues its efforts to improve the proportion of women at the highest managerial positions.

Data is not consolidated at Group level. Due to the difference in living standards and compensation practices in the different countries, this indicator would not be relevant.

› Profit-sharing awards

(in € thousands)	Profit-sharing paid	Contributions to employee savings plans paid
2015-2016	745	328
2016-2017	909	542
2017-2018	1,636	829
2018-2019	2,606	511

› Payroll

(in € thousands)	Electronics France & EMEA Bernin Besançon Meylan Israel	Electronics USA Peabody Canada	Electronics Asia Singapore Japan South Korea Taïwan China	Discontinued operations USA San Diego	Group	Payroll FY18	
Payroll in 2018-2019	82,919	3,644.8	6,994.6	297,4	93,920.8	77,950	20.49%
of which employer contributions	26,129	149.4	665.6	12,4	26,956.2	23,860	12.98%

› Gas and electricity consumption 2018-2019

	FY18	FY19
Electricity consumption (MWh)	60,917	66,252
Gaz consumption (MWh)	18,750	17,644

› Atmospheric emissions 2018-2019

Parameters		Regulatory Limit Value		Number of measures	Annual average			Number of exceedances	
		Flows *(g/h)*	Concentration *(mg/Nm^3)*		Discharge point	Flow *(g/h)*	Concentration *(mg/Nm^3)*	Flow *(g/h)*	Concentration *(mg/Nm^3)*
2017-2018	Acidity	50	0.5	4	Chimney B1/B2	0	0	0	0
	Alkalinity	850	10			531	1.42	0	0
	NH_3	500	10			648.42	1.77	5	0
	COV	1,700	20			420	1.85	0	0
	HCl	300	5			55.65	0.25	0	0
	HF	110	1			7.2	0.031	0	0
	Acidity	10	0.5	4	Bldg K chimney	0	0	0	0
	Alkalinity	100	10			0	0.063	0	0
	NH_3	100	10			0.25	0.01	0	0
	COV	350	20			285	11.61	1	1
	HCl	100	5			2.2	0.094	0	0
	HF	30	1			1.62	0.06	0	0
	Acidity	30	0.5	4	Bldg 3 chimney	0	0	0	0
	Alkalinity	500	10			11.27	0.125	0	0
	NH_3	1,000	10			22.8	0.25	0	0
	COV	900	20			130	1.45	0	0
	HCl	300	5			3.82	0.053	0	0
	HF	50	1			1.15	0.013	0	0
	Acidity	10	0.5	4	MOCVD heat extractor	Equipment not in use			
	Alkalinity	130	10						
	NH_3	100	10						
	COV	270	20						
	HCl	60	5						
	HF	10	1						

* *VOC: volatile organic compounds; NH3: ammonia; HCl: hydrochloric acid; HF: hydrofluoric acid.*

› Aqueous discharges 2018-2019

	Regulatory Limit Value					Annual average		Number of exceedances	
	Flow *(kg/j)*		Concentration *(mg/l)*						
	Monthly mean	Daily max	Monthly mean	Daily max	Number of measures	Flow *(kg/j)*	Concentration *(mg/l)*	Flow *(kg/j)*	Concentration *(mg/l)*
DBO5	32	78	10	20	51	3.85	1.58	0	0
DCO	96	234	30	60	366	12.53	5.58	1	1
Fluorides	22	46	7	12	366	12.6	5.63	0	2
Total hyd.				0.1	12		0.1	0	0
SS	16	39		10	366	3.49	7.74	1	1
Ammonium	32	58	10	15	366	7.26	16.36	1	2
Phosphora	3	19	1	5	366	0.52	0.22	0	0
pH	5.5 < pH < 8.5				366	5.5 < pH < 8.5		0	

3.3.2 METHODOLOGY

3.3.2.1 Scope

For the chapter on "People," the workforce is calculated for all Soitec sites worldwide. It includes all employees, including the executive corporate officer. Note that the Group data now includes Dolphin Integration (Meylan-France) and Frec|n|sys (Besançon-France).

The other employment indicators (rate of workers with disabilities, agreements, etc.) are calculated for the Bernin scope. Please note: the Bernin establishment represented 78% of the Group headcount at March 31, 2019.

For the "Planet" chapter, the data are calculated for the Bernin site only. The Singapore site is excluded from the scope for this year, since it has been open for less than a year. Bernin and Singapore are Soitec's only industrial facilities.

3.3.2.2 Calculation methods

Figures are given by fiscal year, unless otherwise stated. Soitec's fiscal year starts on April 1 and ends on March 31.

a) Social data

Social data are calculated based on the registered workforce and on the jobs held (not including suspended employment contracts):

- registered workforce: breakdown of employees by age, geographical area, change in headcount, turnover rate, ratio of women to men;
- jobs held: breakdown of employees by job, resignation rate, absenteeism, hardship.

The turnover rate corresponds to the sum of resignations, dismissals, terminations by mutual agreement and departures as part of the collective employee departure plans over the previous 12 months, relative to the average annual workforce under open-ended contract. It is calculated based on the size of the workforce.

The resignation rate corresponds to the sum of resignations over the last 12 months, relative to the average annual workforce on open-ended contracts. It is calculated based on the number of jobs held.

The frequency rate corresponds to the number of lost-time accidents in the fiscal year multiplied by one million and divided by the number of hours worked over the period. This is the first year that the frequency rate has been calculated for the Group as a whole.

The severity rate is the number of calendar days off work multiplied by 1000 and divided by the number of hours worked. It should be noted that days off for work accidents are no longer counted beyond 150 days of absence. This is the first year that the severity rate has been calculated for the Group as a whole.

The frequency rate and severity rate indicators are tracked and published monthly. They are presented in graph form and calculated on a rolling year basis to capture their change over time. These safety indicators are accessible to all staff on the internal portal as well as in the monthly "Safe" newsletter.

Lost-time accidents correspond to the number of accidents resulting in at least one day not worked, not counting the day of the accident.

The share of workers with disabilities is calculated based on the regulations in force in France.

b) Environmental information

Energy and water consumption is based on invoiced consumption.

INDUSTRIAL WASTEWATER DISCHARGES

One discharge point was identified. It is located downstream of the neutralization stations and is equipped with flow measurement equipment and a sampler controlled by the flowmeter.

- Flow measurement: before discharge into the natural environment, a speed-measuring probe and an ultrasonic probe for height measurement were set up. These two probes enable measurement of the discharge rate of industrial wastewater after neutralization. The flow rate is measured daily.
- Sampler: a sampler was also installed on this same point of discharge. The sample is controlled by volume. An average sample is recovered over 24 hours (a given day at midnight until the following day at midnight). Such samples are taken daily. They enable analysis of the following parameters: COD, fluoride, phosphate, ammoniacal nitrogen, pH, flow rate. Weekly analyses (BOD5) and monthly analyses (suspended solids, hydrocarbons) are carried out by an external laboratory.

Atmospheric emissions

The samples and the analyses are carried out by the APAVE.

SAMPLING STRATEGY

In accordance with NF EN 15259 and LAB REF 22, the sampling strategy with respect to the homogeneity of the gaseous effluents is as follows:

- for particulate and vesicular pollutants: measurement by grid of the section to be measured;
- for gaseous pollutants with non-isokinetic sampling: measurement by grid of the section to be measured;
- for gaseous pollutants with non-isokinetic sampling:
  - measured at any point of the measuring section when the measurement section is considered to be homogeneous,
  - measured at a representative point when the measurement section is heterogeneous and has a representative point,
  - measured by grid of the measurement section when this section is heterogeneous and does not have a representative point.

METHOD OF SAMPLING AND ANALYSIS

- Non-isokinetic removal by bubbling/filtration method:
  - principle: non-isokinetic sampling of the fumes using a borosilicate glass probe equipped with a device for measuring the volume taken from dry gas with filtration. The probe temperature is maintained above the +20°C dew point temperature of the gases. Gaseous pollutants are trapped by bubbling with scrubbers equipped with diffusers;
  - applicable standards, sampling materials and methods of analysis:

Component researched	Corresponding standard	Absorption Solution	Yield	Number	Type of diffusor	Rinsing	Analysis
HCl	NF EN 1911	Demineralized water	>95%	2	Sintered	Absorption Solution	Ionic Chromatography
HF	NF X 43-304	NaOH O,1 n	>90%	2	Sintered	Absorption Solution	Basic extraction (NaOH solution) then ionic chromatography
NH_3	NF X 43-303	$H_2SO_4$0,1 N	>95%	2	Sintered	Absorption Solution	Ionic Chromatography
Acidity/Basic	NF X 43-317	Buffer Solution at pH 5.5	-	2	Sintered	Absorption Solution	Titrimetry

- Sampling by analyzer:
  - principle: the analysis is done continuously. The analyzer is calibrated before and after each test from a certified standard gas mixture. The watertightness of the line is checked by injecting the standard gas at the top of the line. Before entering the analyzer, the gases are taken out by stainless steel probe. The analog output of the analyzer is connected to a recorder;
  - applicable standards, sampling materials and methods of analysis:

Target compound	Corresponding standard	Measurement principle	Packaging	Type of line
COVT	NF EN 12619	flame ionization detector	-	Heated

Waste is handled by an external service provider. Upon arrival at the storage or processing center, each container is weighed to obtain the actual tonnage.

3.3.2.3 Methodological limits

Soitec does not consider that it has a major risk or opportunity in respect of the fight against food insecurity, respect for animal well-being and responsible, fair and sustainable food.

3.4 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED EXTRA-FINANCIAL PERFORMANCE STATEMENT IN THE MANAGEMENT REPORT

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 March 2019

To the shareholders,

In our capacity as the Statutory Auditor of your company (hereinafter the "entity") appointed as the independent third party, certified by the French Accreditation Committee (Comité Français d'Accréditation or COFRAC) under number 3-1049 [(1)], we hereby report to you on the consolidated extra-financial performance statement for the year ended 31 March 2019 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Responsibility of the entity

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the entity (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (Code de déontologie). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the Statutory Auditor appointed as independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks.

However, it is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly relating the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulatory provisions.

Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 et seq. of the French Commercial Code (Code de commerce), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) relating to this engagement and with ISAE 3000 (international standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- We gained an understanding of the activity of all companies in the consolidation scope, of the Entity's exposure to the main social and environmental risks relating to the business activity and, of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes a clear, substantiated explanation in the event that the information required by sub-paragraph two of Article L.225-102-1;
- We verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators;

(1) Accreditation scope available at www.cofrac.fr

- We verified that the Statement presents the disclosures required under article R. 225-105, Paragraph II, of the French Commercial Code if they are relevant given the main risks or policies presented;
- We obtained an understanding of the process for selecting and validating the main risks;
- We enquired about the existence of internal control and risk management procedures implemented by the entity;
- We assessed the consistency of the outcomes and key performance indicators with the main risks and policies presented;
- We verified that the Statement includes a clear, substantiated explanation of the lack of policy for one or more of these risks;
- We verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16: within the limits specified in the Statement;
- We assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the Information;
- For key performance indicators and the other quantitative outcomes [(1)] that we considered the most important, we set up:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with at the entity's headquarters and represents 100% of consolidated data of key performance indicators and outcomes selected for these tests;
- We referred to documentary sources and conducted interviews to corroborate the qualitative disclosures (actions and outcomes) that we deemed the most important [(2)];
- We assessed the overall consistency of the Statement based on our understanding of all companies within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work drew on the skills of five individuals and was conducted between April and July 2019 for a total working time of approximately two weeks.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted several interviews with the individuals responsible for preparing the Statement.

Opinion

Based on our work, we have no material misstatements to report that would call into question the compliance of the extra-financial performance statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Paris-La Défense, July 4, 2019

KPMG S.A.

Fanny Houlliot	Stephane Devin	Jacques Pierre
Partner	*Partner*	*Partner*
Sustainability Services		

(1) Workforce at March 31, 2019 and breakdown by gender and age ; Ratio of women to men and breakdown of female employees by category (Operators, Technicians & office workers , engineers & executives) ; Share of workers with disabilities ; Frequency and severity rate of accidents ; Electricity consumption ; Gas consumption ; Direct emissions from stationary combustion sources (scope 1) ; Indirect emissions relating to electricity consumption (scope 2).

(2) Measures to promote health and security of employees ; Signed agreements related to quality of working life and respect of diversity ; Index of salary equality between men and women ; Environmental certificates ; Measures to promote sustainable forms of transport ; Partnerships and targeted actions to support sustainable development and the preservation of local regions; Environmental policy and results (water ; effluents, waste) ; Code of conduct and measures to prevent corruption as well as the promotion of business ethics; Compliance with the «Green partner» notice for suppliers.


12
Directors
5
Nationalities
42%
Women

4.

Corporate Governance

Report by our Board of Directors on corporate governance

This Chapter includes our Board of Directors' corporate governance report as required by Article L. 225-37 of the French Commercial Code.

The cross-reference list featured in Chapter 10 indicates those parts of the Registration Document which correspond to those of the corporate governance report not featured in this Chapter.

Prepared by the Secretary of our Board of Directors, this report was first of all reviewed in detail by our Chief Executive Officer and by the relevant functional Departments, notably by our General Counsel, our Head of Human Resources and our Chief Financial Officer.

It was then examined in detail by the Chairman of our Board of Directors, by his predecessor and by the Nomination Committee, the Compensation Committee and the Audit and Risks Committee for their relevant sections.

Finally, it was presented to and approved by our Board of Directors on June 12, 2019.

Reference made to the AFEP-MEDEF Code of June 2018

Our Company refers to the rules of good conduct as defined in the Code of corporate governance for listed companies published by AFEP and MEDEF, in the most recent version dated June 2018 (the "AFEP-MEDEF Code").

This Code may be consulted at the following site www.afep.com, using this link:

https://www.afep.com/en/publications-en/le-code-afep-medef-revise-de-2018/

Our Company complies with the AFEP-MEDEF Code, subject to those reserves indicated in this Chapter in paragraph 4.1.4.

4.1 GOVERNANCE

Since it was created on February 27, 1992, Soitec has been a French joint-stock corporation (*société anonyme*) organized under the single-tier structure.

With a Board of Directors led by an independent Chairman, Éric Meurice, and comprised of 12 members, our Company is managed by one of the Directors: Paul Boudre.

As Chief Executive Officer, Paul Boudre is at the head of an Executive Committee comprised of 11 members.

The organization of our Company's governance is therefore in line with the current best practice among French issuers.

Éric Meurice
Chairman of the Board of Directors

Paul Boudre
Chief Executive Officer

4.1.1 OUR EXECUTIVE MANAGEMENT

After serving as the Soitec Group's Chief Operating Officer for nearly 7 years, Paul Boudre became our Chief Executive Officer on January 16, 2015.

His appointment was part of the implementation of a strategic plan aiming at refocusing our Company's activities on our core business, Electronics.

Since this date, Paul Boudre has been our sole executive corporate officer.

Furthermore, he is surrounded by a team of 11 senior managers who form the Executive Committee.

4.1.1.1 Powers balanced between our Board of Directors and Executive Management

The composition of our Board of Directors and its Committees, their work and also the limits imposed on their powers by the Board's internal regulations, have for several years now contributed to the balance of powers within our governance bodies.

The separation of the offices of Chairman of our Board of Directors and of Chief Executive Officer, made permanent two years ago, further reinforces this balance.

Background to the separation

On September 11, 2015, in line with our strategic re-focusing plan, the governance of our Company was again temporarily unified under Paul Boudre who then became Chairman and Chief Executive Officer. At the same time, our Board of Directors confirmed its intention to separate the two positions at a suitable time for our Company.

After two years of transition under his chairmanship which enabled our Company to be turned around and a significant progress to be made in terms of governance, our Board of Directors confirmed its intention to durably separate the roles of Chairman and Chief Executive Officer, in accordance with the highest governance standards.

This decision made on May 2, 2017 was implemented on July 26, 2017. Victoire de Margerie, appointed on this same day as a Director by our shareholders, was appointed by her peers as Chairman of the Board of Directors. She resigned from her duties on November 28, 2017.

The following day, at the meeting of the Board of Directors held on November 29, 2017, Thierry Sommelet was elected as Chairman of our Board of Directors for an interim period which was due to end at the close of the Shareholders' General Meeting called to cast a vote on the financial statements for fiscal year 2017-2018.

On June 13, 2018, the Board decided to extend his office duration beyond its term.

Thierry Sommelet therefore acted as Chairman of the Board for a 16-month period..

Éric Meurice, the current Chairman of our Board of Directors, was elected to this position on March 27, 2019. Sincere, unanimous tribute was paid to Thierry Sommelet at that time. All our Directors warmly thanked him for having skillfully and efficiently assumed the role of Chairman of the Board during this interim period, beyond his invaluable personal contribution to the work of the Board and of the Committees that he continues to perform.

Our Current governance organization

Role of Éric Meurice, Chairman of our Board of Directors

Éric Meurice's joined our Board of Directors following the Shareholders' General Meeting held on July 26, 2018 as Senior Independent Director, Chairman of the Strategic Committee, and member of the Nomination Committee.

While retaining his duties on the Committees, he replaced Thierry Sommelet by being elected by his peers as Chairman of our Board of Directors on March 27, 2019.

The Board considered that his profile matched our Company's needs, given his experience as general manager of several world-renowned technology companies, mainly in the semiconductor sector, the multicultural dimension of his career, as well as his experience as a director of international companies.

Éric Meurice has chaired and represented our Board of Directors since this date.

In accordance with Article L. 225-51 of the French Commercial Code, he organizes all of the work carried out by the Board. He shall report on this work at the next Shareholders' General Meeting to be held on July 26, 2019.

In order to enable the Board to determine the strategic direction for our Company's business, to ensure its implementation, and to examine all matters relating to the proper functioning of our Company, Éric Meurice is responsible for convening its meetings and setting the agenda.

He oversees the proper functioning of the Board and of its Committees, and in particular ensures that our Directors are able to fulfill their duties.

Furthermore, he ensures that they have the ability to address the issues which concern our Company through informed deliberations.

Role of Paul Boudre, our Chief Executive Officer

Paul Boudre is responsible for the executive management of our Company as Chief Executive Officer.

In addition, he is also a Director within our Board, a member of the Strategic Committee and a permanent guest of the Restricted Strategic Matters Committee.

In accordance with Article L. 225-56 of the French Commercial Code, his appointment as Chief Executive Officer vests him with the widest possible powers to act in all circumstances on behalf of our Company.

He exercises his authority within the limit of the corporate purpose and subject to those powers expressly bestowed by the law on Shareholders' General Meetings, on our Board of Directors, or on its Chairman.

Certain limits are moreover provided by our Board of Directors' internal regulation, an extract from which is set out below.

Paul Boudre represents our Company in all third-party dealings.

Our Company is bound even by those of his actions that do not fall within the corporate purpose unless it can prove that the third party knew that said action exceeded that purpose or should have known it given the circumstances. However, publication of our by-laws shall not of itself be sufficient proof thereof.

The provisions of our by-laws or the decisions of our Board of Directors limiting the powers of Paul Boudre are not binding on third parties.

Limits on the powers of our Chief Executive Officer.

In addition to recalling the respective legal powers of our corporate bodies, our Board of Directors' internal regulation introduce specific cases in which a right of scrutiny and/or right to information or to give prior approval is granted thereto.

Thus, apart from the consultation and/or prior authorizations that the Chief Executive Officer has to obtain from our Board of Directors under terms set out by the law and regulations, Article 3 c) of these regulations sets the following limits on his powers.

Focus on Article 3 c) of the Board of Directors' internal regulation

The Chief Executive Officer shall obtain prior authorization from the Board of Directors for the following decisions:

- α) decisions for location abroad, by creation of a place of business, direct or indirect subsidiary, or by acquisition of a holding, as well as decisions to withdraw from those locations; and
- β) significant transactions that may affect the Group's strategy or change its financial structure or its scope of business, in particular, merger and acquisition decisions.

Prior authorization from the Board of Directors is needed to undertake the following transactions, to the extent that their individual or combined amount exceeds €20 million:

- α) to acquire or dispose of any holding in any company created or to be created, participate in the creation of any company, group or organization, subscribe to any issue of shares or bonds;
- β) to agree to any exchange, with or without compensatory payment, concerning assets, securities or currencies;
- γ) in the event of a dispute, to execute any agreement or settlement, accept any compromise; and
- δ) to grant security on company assets.

Prior authorization from the Board of Directors is required to undertake any non-budgeted expenditure or investment, including any acquisition or sale of fixed assets, it being understood that a project comprising more than one phase must be taken as a whole, to the extent that their individual or combined amount exceeds €10 million.

Prior authorization from the Board of Directors is required to undertake the following transactions, to the extent that their cumulative individual or combined amount exceeds €60 million per year:

- α) to grant or contract any borrowings or loans, credits or advances, excluding leasing or financing equipment and property; and
- β) to purchase or assign, *via* any method, all receivables other than transactions for management of receivables.

Prior authorization from the Board of Directors is required for decisions on the launch of any project susceptible to incur, in the first five years of implementation, non-budgeted investments, expenses, commitments or liabilities of more than €50 million, individually or combined.

Prior authorization of the Board of Directors is required for decisions on (i) any transfer (by sale, licensing, or any other means) of industrial property rights relating to Soitec's core business (including Smart Cut™ technology) to a third party, or (ii) concerning any commercial cooperation or partnership agreement (excluding agreements exclusively or almost exclusively on the sale of the Company's products in the ordinary course of business) generating estimated annual income (or expenses, as the case may be) of more than €7 million.

Information must be provided in advance to the Board of Directors, irrespective of the threshold, with regard to the acquisition of any holding in a third-party company or to the creation of any new company, other than in the context of intra-Group transactions or restructurings where the Chief Executive Officer is entitled to complete such transactions without any requirement for information to be provided in advance to the Board of Directors.

4.1.1.2 A strengthened and diversified Executive Committee

Creation and role of the Executive Committee

In order to obtain support with the performance of his assignments and upon taking office in 2015, our Chief Executive Officer introduced a new internal management body: the Executive Committee or ExCom.

The leader of this team of senior managers, Paul Boudre, relies on the expertise of each of the ExCom's 11 members to inspire, organize, run, monitor and develop our Group's business in a collegial way. Their aim is to keep capturing growth in Electronics markets, and to pursue growth in profitability while at the same time aiming for sustainability in the long term.

The 11 members of our ExCom meet whenever required, under Paul Boudre's direction. In any event, the Committee holds weekly conference calls.

The decision processes and operating methods are defined in the management system steered by the Quality Department.

Composition of the Executive Committee and new organization

During the 2018-2019 fiscal year, we worked together to restructure our overall organization, with the help of around sixty of our Group's senior executives.

The objective was to define the outlines and interfaces that would enable flexibility and proximity to markets and customers, which are essential for our growth targets.

Firmly committed to the future, we have a fully-fledged Strategy Department, which identifies opportunities for organic and external growth. This essential task has been entrusted to Thomas Piliszczuk. The Sales department, now separate, has led to Calvin Chen being promoted to the ExCom.

All business activities are now grouped into six more agile Business Units, each of which focuses on its product line. Bernard Aspar oversees the entire business and carries out the necessary internal planning required by such a decentralization in a context of strong growth.

All of the teams and resources dedicated to innovation are now grouped within the same Department, to ensure smooth continuity of projects, from inception to integration into the production process. This new division is led by Christophe Maleville.

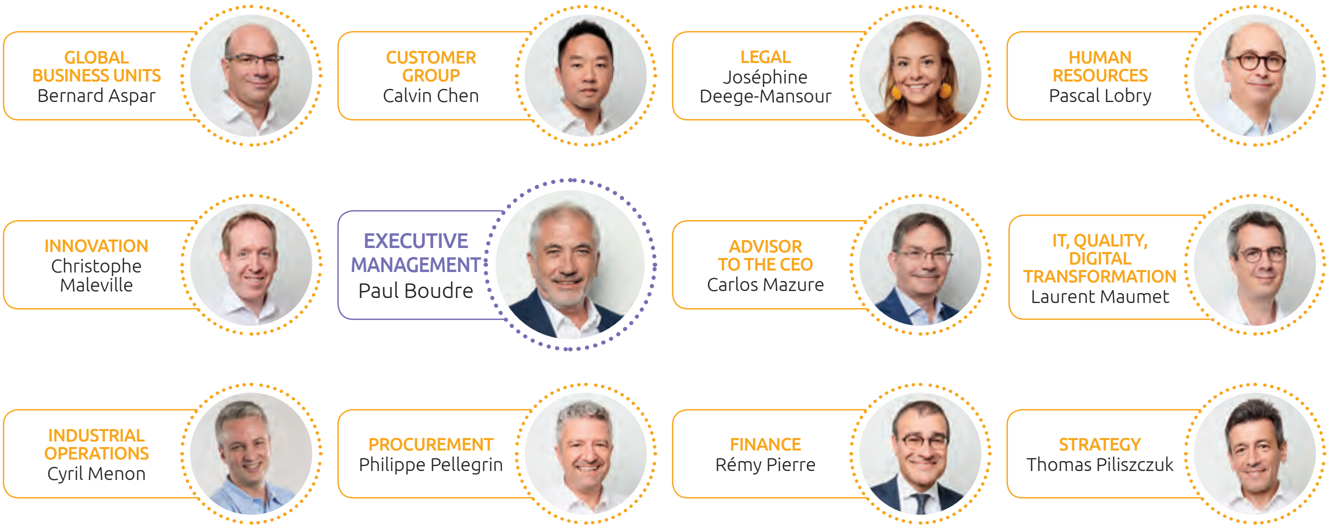
Another major challenge from our growth, Purchasing and Procurement, previously included within the Department overseeing Support Functions and Quality, has now joined the ExCom under Philippe Pellegrin's guidance, since September 2018. Philippe Pellegrin has over 25 years' experience in the semiconductors industry and in particular held the position of Group Purchasing Director with STMicroelectronics and ST-Ericsson in Europe and in Singapore.

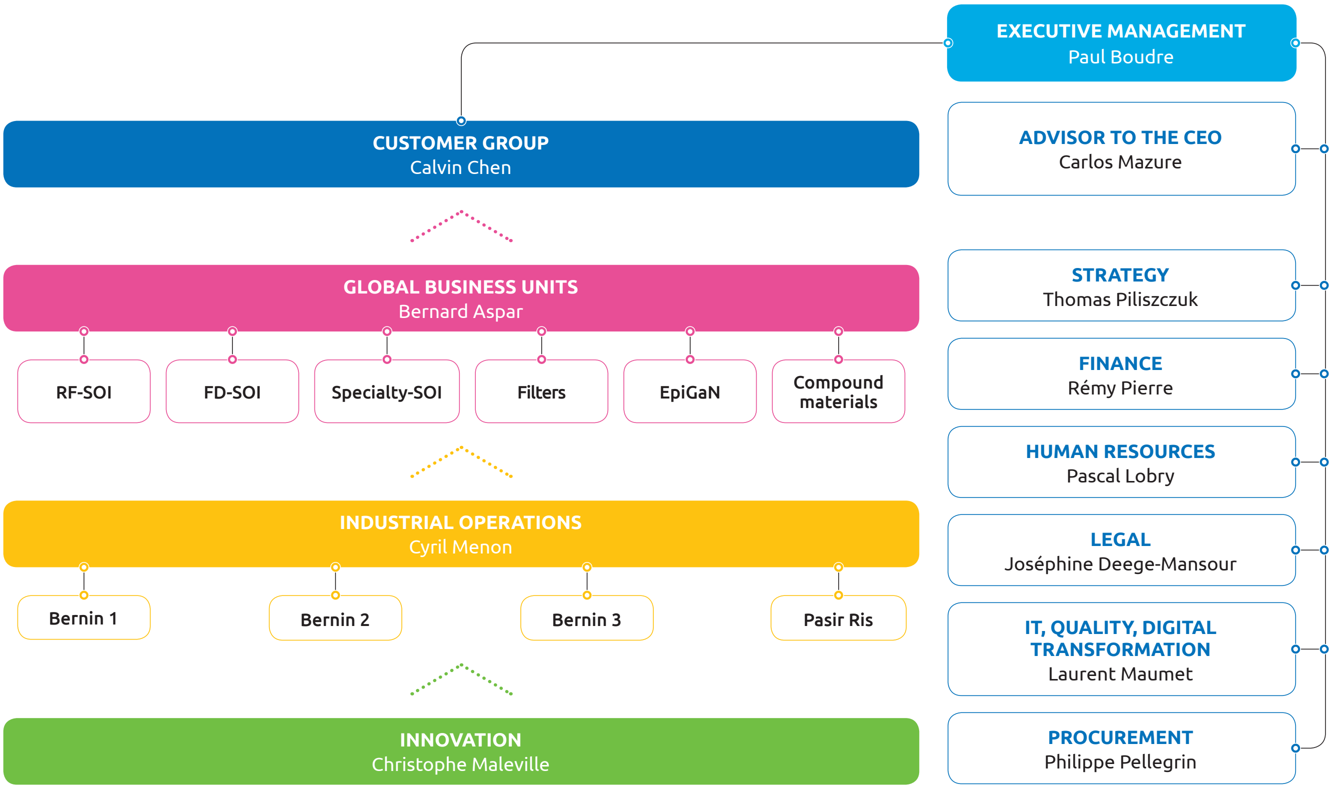
Lastly, in September 2018, Joséphine Deege-Mansour joined our Company as General Counsel. Then aged 39, she is the first woman to be recruited directly for a position in the management team. Joséphine Deege-Mansour was previously General Counsel and member of the Executive Committee of several entities of the United Technologies Corporation group at a global level. She also practiced law with the firms Freshfields Brukhaus Deringer and Cleary Gottlieb Steen and Hamilton in Paris and New York. She is a member of the New York Bar Association. In addition to choosing a candidate with an outstanding academic and professional background for this position, Paul Boudre is implementing a diversification program for his management team.

Tailored to respond to the challenges facing our Group, this is first of all in line with law 2018-771 of September 5, 2018 on the freedom to choose a professional future, and with the new provisions of Article L. 225-37-4 resulting therefrom.

Our Company is in fact seeking to improve the diversity as well as gender balance within the top 10% of positions with major responsibilities, including within the ExCom.

These changes, gradually rolled out in 2018-2019, are fully effective as of April 1, 2019.


GLOBAL BUSINESS UNITS
Bernard Aspar
CUSTOMER GROUP
Calvin Chen
LEGAL
Joséphine Deege-Mansour
HUMAN RESOURCES
Pascal Lobry
INNOVATION
Christophe Maleville
EXECUTIVE MANAGEMENT
Paul Boudre
ADVISOR TO THE CEO
Carlos Mazure
IT, QUALITY, DIGITAL TRANSFORMATION
Laurent Maumet
INDUSTRIAL OPERATIONS
Cyril Menon
PROCUREMENT
Philippe Pellegrin
FINANCE
Rémy Pierre
STRATEGY
Thomas Piliszczuk


EXECUTIVE MANAGEMENT
Paul Boudre
CUSTOMER GROUP
Calvin Chen
GLOBAL BUSINESS UNITS
Bernard Aspar
RF-SOI
FD-SOI
Specialty-SOI
Filters
EpiGaN
Compound materials
INDUSTRIAL OPERATIONS
Cyril Menon
Bernin 1
Bernin 2
Bernin 3
Pasir Ris
INNOVATION
Christophe Maleville
ADVISOR TO THE CEO
Carlos Mazure
STRATEGY
Thomas Piliszczuk
FINANCE
Rémy Pierre
HUMAN RESOURCES
Pascal Lobry
LEGAL
Joséphine Deege-Mansour
IT, QUALITY, DIGITAL TRANSFORMATION
Laurent Maumet
PROCUREMENT
Philippe Pellegrin

4.1.2 OUR BOARD OF DIRECTORS

Focus on our Board of Directors' internal regulation

- At its meeting of July 1, 2005, our Board of Directors adopted its internal regulation.

  These in particular set the rules governing the composition, missions, functioning, and responsibilities thereof, as well as those applicable to its Committees. Furthermore, the internal regulation organizes the relations between our Company and our Directors.

  In addition to the laws and regulations in force and to our Company's by-laws (reproduced in full in section 9.1.2), it also provides an operational framework.

  The objective of the internal regulations is to optimize the efficiency of the meetings and discussions of our Board of Directors and its Committees, and to incorporate he best practices in terms of corporate governance in the functioning of our corporate bodies.

- By limiting the powers of our Chief Executive Officer, the internal regulation introduces a supra-legal right of review and/or right to information for our Board of Directors.

  Our Chief Executive Officer must therefore consult with our Board of Directors before completing certain specific transactions listed in Article 3 c) of the internal regulation. Its content is reproduced in full in section 4.1.1.1 above. It relates in particular to decisions regarding the creation of representative offices abroad or to a withdrawal, or to any sizable transactions likely to affect the Group's strategy or change its capital structure or scope of business, and also to certain other transactions on the basis of their value.

- On April 29, 2016, the internal regulation was re-drafted following the execution of the shareholders' agreement by Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l.

  Our Code of Conduct was also reviewed in this context, and is attached to the internal regulation.

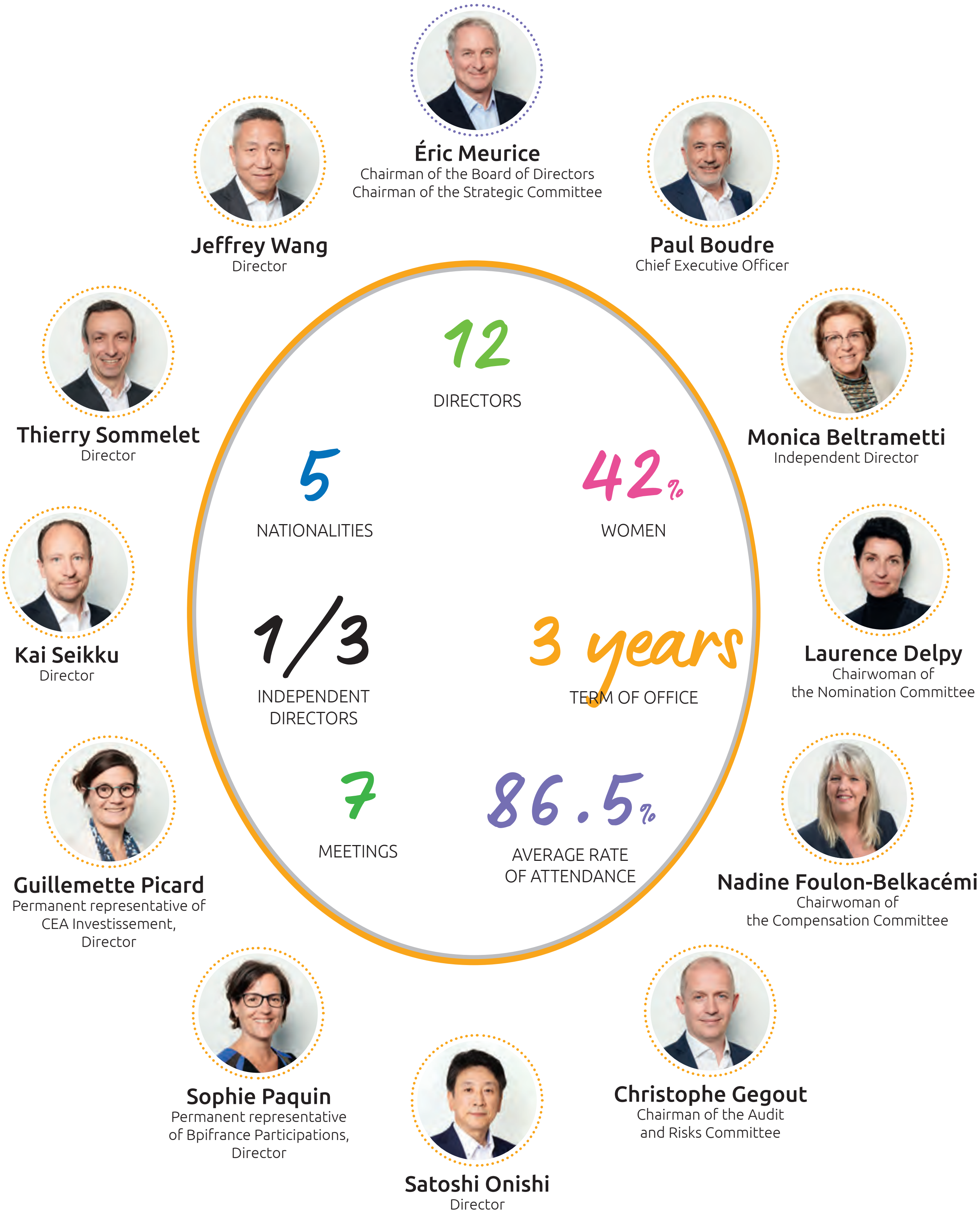
  It is also regularly updated to take into account any changes in the laws and regulations, and also best practices in terms of corporate governance and the rules defined by our Board of Directors itself.

  The most recent modifications to the internal regulation were on March 27, 2019.

- The internal regulation requires each Director, each permanent representative of a Director, the representatives of the Works' Council to our Board of Directors and, more generally any individual or entity taking part in or providing one-off assistance or attending members of our Board of Directors and/or of its Committees.

- The internal regulation is an internal document which does not form part of our Company's bylaws. It is not enforceable upon third parties. Nor can it be cited by shareholders or third parties with regard to our Company, its Directors, or any company within our Group.

4.1.2.1 Current composition of our Board of Directors



› Overview since April 1, 2018

Director	Board of Directors	Strategic Committee	Audit and Risks Committee	Nomination Committee	Compensation Committee	Restricted Strategic Matters Committee
Directors currently in office						
Éric Meurice	➡ ☆ 07/26/2018	➡ ☆ 07/26/2018	×	➡ 07/26/2018	×	➡ 05/06/2019
Paul Boudre	✓	✓	×	×	×	×
Monica Beltrametti	✓	✓	✓	✓	✓	×
Bpifrance Participations (represented by Sophie Paquin)	✓	×	×	✓	✓	×
CEA Investissement (represented by Guillemette Picard)	✓	×	×	✓	✓	×
Laurence Delpy	✓	✓	✓	✓ ☆	✓	✓
Nadine Foulon-Belkacémi	✓	×	✓	✓	✓ ☆	✓
Christophe Gegout	✓	✓	✓ ☆	×	×	✓
Satoshi Onishi	✓ 07/26/2018 (1)	×	×	×	×	×
Kai Seikku	➡ 05/06/2019 (2)	➡ 05/06/2019 (2)	×	➡ 05/07/2019 (2)	➡ 05/07/2019 (2)	×
Thierry Sommelet	✓	✓	✓	×	×	✓
Jeffrey Wang	➡ 05/07/2019 (3)	×	➡ 05/07/2019 (3)	×	×	×
Directors whose appointment is proposed to the Shareholders' General Meeting on July 26, 2019						
Françoise Chombar	➡ 07/26/2019 (4)	➡ 07/26/2019 (4)	×	➡ 07/26/2019 (4)	×	➡ 07/26/2019 (4)
Shuo Zhang	➡ 07/26/2019 (4)	➡ 07/26/2019 (4)	➡ 07/26/2019 (4)	×	➡ 07/26/2019 (4)	×
Directors in office during fiscal year ended on March 31, 2019 and whose term of office has expired						
Douglas Dunn	⬅ 07/26/2018	⬅ ☆ 07/26/2018	×	×	×	×
Nabeel Gareeb	⬅ 03/27/2019 (2)	⬅ 03/27/2019 (2)	×	×	×	×
Weidong (Leo) Ren	⬅ 05/07/2019 (3)	×	⬅ 05/07/2019 (3)	⬅ 05/07/2019 (3)	⬅ 05/07/2019 (3)	×

➡ *Indicates Appointment.*
⬅ *Indicates Departure.*
☆ *Indicates Chairman.*

(1) *Renewal.*
(2) *Appointment by cooptation by the Board of Directors on May 6, 2019, for the remainder of the term of office of Nabeel Gareeb, who resigned with effect from March 27, 2019. Ratification of the appointment and renewal of the term of office will be proposed to the shareholders at the Shareholders' General Meeting of July 26, 2019. It has been decided to appoint Kai Seikku to the Nomination Committee and the Compensation Committee, subject to the condition precedent of written confirmation of the resignation of Weidong (Leo) Ren. The effective start date of the term of office on these two Committees corresponds to the date of the written confirmation of the resignation of Weidong (Leo) Ren, i.e. May 7, 2019.*
(3) *Appointment by cooptation by the Board of Directors on May 6, 2019, for the remainder of the term of office of Weidong (Leo) Ren, who resigned, subject to the condition precedent of written confirmation of the resignation of Weidong (Leo) Ren. The effective start date of the term of office corresponds to the date of the written confirmation of the resignation of Weidong (Leo) Ren, i.e. May 7, 2019. Ratification of the appointment and renewal of the term of office wil be proposed to the shareholders at the Shareholders' General Meeting of July 26, 2019.*
(4) *Subject to appointment at the Shareholders' General Meeting of July 26, 2019.*

A higher independence rate

Our new Chairman of the Board, Éric Meurice was a director of NXP Semiconductors N.V., one of our main customers from April 2014.

Following his decision not to stand for a new term of office of NXP Semiconductors N.V., our Board of Directors has noted that Éric Meurice now meets all of the independence criteria set out in paragraph 8 of the AFEP-MEDEF Code.

Thus, at 4 out of 12, our independent Directors now represent 33.33% compared to 25% previously.

The reflection of our shareholding structure

Our Company's shareholders' agreement of March 7, 2016 stipulates that each of our 3 reference shareholders, Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l. benefits from:

- 2 representatives on the Board of Directors, provided that its stake is equal to or greater than 10% of share capital; or
- 1 representative on the Board of Directors, provided that its stake is between 5% and 10%.

Currently with each holding 11.49% of our shares, our 3 strategic investors are represented on the Board by 2 members each, or in total by half of our Directors.

Shin-Etsu Handotaï, our long-standing Japanese partner, is also represented on our Board by one member.

Gender balance

With 5 female Directors out of 12 members, the composition of our Board of Directors complies with the requirements of the Copé-Zimmermann law. The proportion of female Directors is 41.66%.

Amongst our 5 female Directors, 3 are independent and 2 represent respectively Bpifrance Participations and CEA Investissement.

Furthermore, the Compensation and Nomination Committees are both chaired by independent female Directors.

Our diversity policy

Objectives

In addition to the different rules applicable to its composition, our Board of Directors is committed to ensuring diversity in the profiles of its members.

Their qualities and ethics are also key concerns for the desired balance of its composition and that of its Committees. Honest, competent, active, present and involved, our Directors must also have exceptional judgment and proactive abilities to perform their missions effectively and in all circumstances in our corporate interest.

Their motivation to promote our long term value creation and be involved in determining our strategic directions is essential in our context of strong growth and globalization.

Directors must also be rigorous and available given the volume and frequency of Board and Committee meetings.

Lastly, our Board constantly pursues the objective of increasing the proportion of independent Directors, in order to exceed in future the 50% rate recommended for companies with dispersed ownership and without controlling shareholders.

All of these objectives are reiterated in the Internal Regulations of our Board (see chart below).

Results

In line with the AFEP-MEDEF Code, our Board builds on the work of the Nomination Committee in terms of self-assessment when it identifies new candidates or proposes to renew terms of office.

This process guarantees a balanced diversity in terms of gender representation, nationalities, ages, skills and experience.

Following the changes during the 2018-2019 fiscal year and subsequently, our Board currently comprises 5 women and 7 men.

Our Directors come from 5 different nationalities: alongside 8 French people are 2 Americans, 1 Italian, 1 Japanese and 1 Finnish national. Should our shareholders vote in favor of the appointment of Françoise Chombar as a new Director at the Shareholders' General Meeting called for July 26, 2019, there would then be a 6th nationality (Belgian) represented on our Board of Directors.

The overall average attendance rate at Board and Committee meetings is 87.50%.

With an average age of 53 years, their unparalleled and diversified experience ensures that our directors have wide-ranging, cross-functional and complementary skills, as shown below.

Summary table of our directors' skills

The following chart shows the main areas of expertise of each of our Directors.

	Finance	International	CSR/HR	Industry	TMT (Techno, Media, Telecoms)	R&D	Governance/ Legal	Executive Management
Directors currently in office								
Éric Meurice		✓			✓	✓	✓	✓
Paul Boudre		✓		✓	✓		✓	✓
Monica Beltrametti		✓		✓		✓		✓
Bpifrance Participations (represented by Sophie Paquin)	✓	✓	✓				✓	
CEA Investissement (represented by Guillemette Picard)	✓		✓		✓	✓		
Laurence Delpy	✓	✓			✓		✓	
Nadine Foulon-Belkacémi		✓	✓		✓	✓		
Christophe Gegout	✓	✓			✓		✓	
Satoshi Onishi		✓		✓	✓			✓
Kai Seikku		✓		✓	✓			✓
Thierry Sommelet	✓		✓		✓		✓	
Jeffrey Wang	✓	✓		✓				✓
Directors whose appointment is proposed to the Shareholders' General Meeting of July 26, 2019								
Françoise Chombar				✓	✓		✓	✓
Shuo Zhang	✓	✓		✓				✓
Directors in office during the fiscal year ended on March 31, 2019 and whose term of office has ended								
Douglas Dunn		✓		✓		✓	✓	✓
Nabeel Gareeb		✓		✓	✓			✓
Weidong (Leo) Ren	✓	✓		✓				✓

4.1.2.2 Summary table of our Board of Directors

Personal data								Latest term of office		History	
Full name or company name	Age	Gender	Nationality	Number of shares	Number of offices in other listed companies	Indepen-dence	Attendance rate during the 2018-2019 fiscal year	Start date	End date [1]	Date of first appointment	Years on the Board
Directors currently in office											
Éric Meurice	62			0	3	☆✓	60.00%	07/26/2018	AGM 2020-2021	07/26/2018	1
Paul Boudre	60			9,264	0	×	100.00%	07/25/2016	AGM 2018-2019	07/03/2012	7
Monica Beltrametti	68			175	0	✓	85.71%	04/11/2016	AGM 2018-2019 [13]	04/11/2016	3
Bpifrance Participations (represented by Sophie Paquin)	41			3,636,007	0	×	100.00%	07/25/2016	AGM 2018-2019	07/02/2013	6 [2]
CEA Investissement (represented by Guillemette Picard)	43			3,636,007	0	×	100.00%	07/25/2016	AGM 2018-2019	04/20/2015 [3]	4 [4]
Laurence Delpy	48			675	0	✓	100.00%	04/11/2016	AGM 2018-2019	04/11/2016	3
Nadine Foulon-Belkacémi	55			0	0	✓	85.71%	04/11/2016	AGM 2018-2019 [12]	04/11/2016	3
Christophe Gegout	43			0	2	×	85.71%	05/02/2016	AGM 2018-2019	04/11/2016 [5]	4 [6]
Satoshi Onishi	56			100	0	×	71.43%	07/26/2018	AGM 2020-2021	07/10/2015	4
Kai Seikku	54			0	1	×	-	05/06/2019 [7]	AGM 2018-2019	05/06/2019 [7]	0
Thierry Sommelet	49			0	3	×	100.00%	11/29/2017 [8]	AGM 2018-2019	11/29/2017 [8]	4 [9]
Jeffrey Wang	59			0	0	×	-	05/07/2019 [10]	AGM 2018-2019	05/06/2019 [10]	0
Directors whose appointment is proposed to the Shareholders' General Meeting of July 26, 2019											
Françoise Chombar	57			0	2	✓	-	07/26/2019	AGM 2021-2022	07/26/2019 [12]	0
Shuo Zhang	54			0	0	✓	-	07/26/2019	AGM 2021-2022	07/26/2019 [13]	0
Directors in office during the fiscal year ended on March 31, 2019 and whose term of office has ended											
Douglas Dunn	75			0	1	×	100.00%	07/26/2017	07/26/2018	07/09/2004	14
Nabeel Gareeb	54			0	0	×	50.00%	11/29/2017 [11]	03/27/2019 [7]	11/29/2017 [11]	1
Weidong (Leo) Ren	48			0	0	×	85.71%	05/02/2016	05/07/2019 [10]	04/11/2016 [5]	3
TOTAL/AVERAGE	**53**	**7 (58.33%)** **5 (41.66%)**	**8 FR** **1 US** **1 FIN** **1 IT** **1 JAP**	**7,282,228**	**0.75**	**33.33%**	**86.48%**	**7 IN 2016** **1 IN 2017** **2 IN 2018** **2 IN 2019**	**10 IN 2019** **2 IN 2021**	**1 IN 2012** **1 IN 2013** **2 IN 2015** **4 IN 2016** **1 IN 2017** **1 IN 2018** **2 IN 2019**	**3.25**

☆ *Indicates Chairman of the Board of Directors*

(1) *Shareholders' General Meeting to approve the financial statements for the year in question.*
(2) *Bpifrance Participations was successively represented by Fabienne Demol (from 2013 to April 20, 2015), Thierry Sommelet (from April 20, 2015 to July 26, 2016), and lastly Sophie Paquin (from July 26, 2016 to date).*
(3) *Appointment by cooptation by the Board of Directors on April 20, 2015, for the remainder of the term of office of Christian Lucas, who resigned, and ratified by the shareholders at the Shareholders' General Meeting of July 10, 2015.*
(4) *CEA Investissement was successively represented by Christophe Gegout (from April 20, 2015 to May 2, 2016) and then Guillemette Picard (from May 2, 2016 to date).*
(5) *Appointment at the Shareholders' General Meeting of April 11, 2016, subject to the condition precedent of the definitive carrying out of capital increases reserved for Bpifrance Participations, CEA Investissement and National Silicon Industry Group (NSIG). The start date of the term of office corresponds to the date on which these reserved capital increases were definitively carried out, namely May 2, 2016.*
(6) *Including 1 year as permanent representative of CEA Investissement.*
(7) *Appointment by cooptation by the Board of Directors on May 6, 2019, for the remainder of the term of office of Nabeel Gareeb, who resigned with effect from March 27, 2019. Ratification of the appointment and renewal of the term of office will be proposed to the shareholders at the Shareholders' General Meeting of July 26, 2019.*
(8) *Appointment by cooptation by the Board of Directors on November 29, 2017, for the remainder of the term of office of Bpifrance Investissement, which resigned, and ratified by the shareholders at the Shareholders' General Meeting of March 23, 2018.*
(9) *Including 2 years as permanent representative of Bpifrance Participations, then Bpifrance Investissement.*
(10) *Appointment by cooptation by the Board of Directors on May 6, 2019, for the remainder of the term of office of Weidong (Leo) Ren, who resigned, subject to the condition precedent of written confirmation of the resignation of Weidong (Leo) Ren. The effective start date of the term of office corresponds to the date of the written confirmation of the resignation of Weidong (Leo) Ren, i.e. May 7, 2019. Ratification of the appointment and renewal of the term of office wil be proposed to the shareholders at the Shareholders' General Meeting of July 26, 2019.*
(11) *Appointment by cooptation by the Board of Directors on November 29, 2017, for the remainder of the term of office of Xi Wang, who resigned, and ratified by the shareholders at the Shareholders' General Meeting of March 23, 2018.*
(12) *Appointment proposed to replace Nadine Foulon-Belkacémi, who does not wish her term of office to be renewed.*
(13) *Appointment proposed to replace Monica Beltrametti, who does not wish her term of office to be renewed.*

4.1.2.3 Our directors' short individual biographies

Directors currently in office

Éric Meurice

Chairman of the Board of Directors
Independent Director
Chairman of the Strategic Committee
Member of the Nomination Committee and the Restricted Strategic Matters Committee

Number of shares held: 0

Date of first appointment: July 26, 2018

Start date of current term: July 26, 2018

End date of the term: SGM called to cast a vote on the financial statements for the year ending on March 31, 2021

62 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S★

TIME ON THE BOARD

1 year

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

80%

MAIN POSITION OUTSIDE THE COMPANY:

- Company Director

CURRENT OFFICES OUTSIDE THE COMPANY:

- NXP Semiconductors NV** (Netherlands)
- IPG Photonics Corporation** (United States)
- Umicore, SA** (Belgium)
- Global Blue (Switzerland)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Meyer Burger** (Switzerland) (until May 2019)
- ARM Holdings plc** (UK) (until March 2014)

PROFESSIONAL EXPERIENCE:

Éric Meurice is director within the Boards of NXP Semiconductors N.V. since April 2014, IPG Photonics Corp. since June 2014, UMICORE SA since April 2015 and Meyer Burger AG since May 2018.

Previously, Éric Meurice was the Chairman-CEO of ASML Holding N.V., an equipment manufacturer for the semiconductor industry, from October 2004 to June 2013, and its Chairman until March 2014.

From 2001 to 2004, he was Executive Vice President of the Thomson-RCA Television division.

From 1995 to 2001, he led Western Europe, Eastern Europe, and emerging markets in the EMEA region for Dell Computer.

Before 1995, Éric Meurice acquired significant experience in the industrial and technological fields within ITT Semiconductors, Intel Corporation and Renault SA.

He was also a director of Verigy Ltd. until its acquisition by Advantest Corporation in 2011, and ARM Holdings plc until March 2014.

Éric Meurice graduated from École centrale de Paris (France), and has a Master's degree in economics from Panthéon-Sorbonne University in Paris (France), and an MBA from Stanford University (California, USA).

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*
** *Listed company.*
SGM: Shareholders' General Meeting.

(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Paul Boudre

Chief Executive Officer
Member of the Strategic Committee
Permanent guest on the Restricted Strategic Matters Committee

Number of shares held: 9,264

Date of first appointment: July 3, 2012

Start date of current term: July 25, 2016

End date of the term: reappointment proposed at the SGM of July 26, 2019

60 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS
C S

TIME ON THE BOARD

7 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

100%

CURRENT OFFICES WITHIN THE GROUP:

- Director of Soitec Japan Inc. (Japan)
- Director of Soitec Microelectronics Singapore Pte Ltd. (Singapore)
- Soitec's legal representative in companies on whose boards it sits

MAIN POSITION OUTSIDE THE GROUP:

N/A

CURRENT OFFICES OUTSIDE THE GROUP:

- Permanent Representative of Soitec, Director of Exagan (France)
- Director of Fogale Nanotech (France)
- Director of AENEAS
- Director of SOI Industry Consortium
- Member of SEMI's European Advisory Board
- Member of CORES du Leti's Advisory Board

OFFICES OUTSIDE THE GROUP EXPIRED IN THE LAST FIVE YEARS:

N/A

PROFESSIONAL EXPERIENCE:

Since 2015, Paul Boudre has been the Chief Executive Officer of Soitec, a world leader in innovative semiconductor materials. He is also a member of the Board of Directors.

He joined the Company in 2007, as Director of Sales, Marketing and Business Development, where he focused on the development of new opportunities in the market and the SOI (silicon-on-insulator) ecosystem, making it possible to adopt this technology for consumer and "More Than Moore" applications.

Apart from his role at Soitec, Paul Boudre also sits on several Boards of Directors: FOGALE Nanotech, one of the leaders in high-precision metrology solutions; Exagan, manufacturer of GaN power switches; AENEAS, the European association in charge of promoting nanoelectronic activities, and the SOI Industry Consortium, an international organization dedicated to understanding, developing and adopting technologies based on the SOI, which was launched with the assistance of Paul Boudre. He is also on the European Advisory Board of SEMI, a global industrial association serving the manufacturing supply chain for the electronics industry. Lastly, he is a member of the Advisory Board of CORES du Leti, a technological research institute of the Atomic Energy Commission (CEA).

For more than 30 years, Paul Boudre has been active in the semiconductor industry, where he has acquired solid international experience. During his 10 years at KLA-Tencor, one of the first five global equipment manufacturers for the semiconductor industry, he led the group's European operations, then took the position of Vice-President for Europe and the USA. Previously, he also carried out management duties in the industrial units of IBM Semiconductor (now belonging to GlobalFoundries), STMicroelectronics, Motorola Semiconductor (now belonging to NXP Semiconductors), and Atmel.

Paul Boudre is a graduate of the École nationale de chimie de Toulouse.

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(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman · Finance · International · CSR/HR · Industry · Technologies, Media, Telecommunications (TMT) · R&D · Governance/Legal · Executive Management.

Monica Beltrametti

Independent Director
Member of the Audit and Risks Committee, the Strategic Committee, the Nomination Committee and the Compensation Committee

Number of shares held: 175

Date of first appointment: April 11, 2016

Start date of current term: April 11, 2016

End date of the term: SGM called to cast a vote on the financial statements for the fiscal year ended on March 31, 2019

68 years old

BUSINESS ADDRESS*
soitec

SKILLS

COMMITTEES
AR N RS
C S

TIME ON THE BOARD
3 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019
86.95%

MAIN POSITION OUTSIDE THE COMPANY:
N/A

CURRENT OFFICES OUTSIDE THE COMPANY:
- Member of the ATTRACT Project Advisory Committee

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:
N/A

PROFESSIONAL EXPERIENCE:
Monica Beltrametti retired from her position as Head of Global Innovation Europe at Naver, a position she had assumed since January 2018.
Before that, she was Director of Research at Xerox for approximately 25 years, and Vice President of Xerox Innovation for about ten years.
Monica Beltrametti headed the Computing and Network Services at the University of Alberta from 1991 to 1993.
She graduated with a degree in astrophysics from the University of Munich, after earning a master's in physics from the University of Göttingen.

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AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Laurence Delpy

Independent Director
Chairwoman of the Nomination Committee
Member of the Audit and Risks Committee, the Strategic Committee, the Compensation Committee and the Restricted Strategic Matters Committee

Number of shares held: 675

Date of first appointment: April 11, 2016

Start date of current term: April 11, 2016

End date of the term: reappointment proposed at the SGM of July 26, 2019

48 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N★ RS C S

TIME ON THE BOARD

3 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

100%

MAIN POSITION OUTSIDE THE COMPANY:

- Vice-President of mobile networks at Nokia for the Asia-Pacific region and Japan (China)

CURRENT OFFICES OUTSIDE THE COMPANY:

N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

N/A

PROFESSIONAL EXPERIENCE:

Since 2016, Laurence Delpy has managed Nokia's mobile network business for the Asia-Pacific region and Japan. She has been living and working in the Asia-Pacific region since 1996.
Previously, she served as Vice President of Alcatel-Lucent's mobile business in Asia and Deputy Vice President of the network business in China within their joint venture, Alcatel-Lucent Shanghai Bell.
Previously, she was Vice President and CEO of the GSM product line and also worked in the sales team of a Telstra subsidiary in Australia.
Laurence Delpy graduated from the École superieure de gestion in Paris, France and holds a degree in Business Administration. She also holds a certificate in general administration obtained at Insead in Singapore.

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(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Nadine Foulon-Belkacémi

Independent Director
Chairwoman of the Compensation Committee
Member of the Audit and Risks Committee, the Nomination Committee and the Restricted Strategic Matters Committee

Number of shares held: 0

Date of first appointment: April 11, 2016

Start date of current term: April 11, 2016

End date of the term: SGM called to cast a vote on the financial statements for the fiscal year ended on March 31, 2019

55 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS
C★ S

TIME ON THE BOARD

3 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

84.80%

MAIN POSITION OUTSIDE THE COMPANY:

- Director - Key Accounts and member of the Executive Committee of Orange Business Services (France)

CURRENT OFFICES OUTSIDE THE COMPANY:

N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

N/A

PROFESSIONAL EXPERIENCE:

Since the beginning of 2018, Nadine Foulon-Belkacémi has been Director of Key Accounts for Orange Business Services in charge of business development and customer relations.
From 2013 to 2017, Nadine Foulon-Belkacémi was director of Orange Nord de France in charge of all operating activities of Orange (deployment of networks, trade, after-service sales, etc.) and the management of over 6,000 employees.
She joined Orange in 2009, she ran consumer R&D and oversaw more than 1,000 audiovisual, cyberdefense, *Cloud*, VoIP, software development and IoT specialists, among other fields. The Orange group then asked Nadine Foulon-Belkacémi to optimize the innovation chain within Orange.
Previously, in her career, she assumed various strategic responsibilities in R&D, strategy, marketing and human resources at groups like Alstom, Alcatel and Essilor.
Nadine Foulon-Belkacémi graduated from the École nationale supérieure de chimie de Paris (Chimie Paris Tech) with a PhD in chemistry and electrical engineering and holds a Masters in Telco management and strategy from INSEAD and EM Lyon.

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(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Christophe Gegout

Chairman of the Audit & Risks Committee
Member of the Strategic Committee and the Restricted Strategic Matters Committee

Number of shares held: 0

Date of first appointment: April 20, 2015 (1)

Start date of current term: May 2, 2016 (2)

End date of the term: reappointment proposed at the SGM of July 26, 2019

43 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR★ RS S

TIME ON THE BOARD

4 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

92.86%

MAIN POSITION HELD OUTSIDE THE COMPANY:

- Senior Investment Director at Meridiam (since November 2018)

CURRENT OFFICES OUTSIDE THE COMPANY:

- Director of Neoen** (France) (since June 2015);
- Director of Séché environnement** (France) (since 2018);
- Director of Allego BV (Netherlands).

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Chairman of the CEA Investissement (France) Board of Directors (January 2011 – October 2018)
- Director of Supernova Invest (France) (April 2017 – October 2018)
- Director of FT1CI and of companies with AREVA group, including AREVA SA** (until October 2018)

PROFESSIONAL EXPERIENCE:

In November 2018 Christophe Gegout was appointed as Senior Investment Director at Meridiam, in charge of investments in SMEs within one of the leading global investment and public asset management firms. Previously, he was previously Chief Financial Officer at the French Atomic Energy Commission (Commissariat à l'énergie atomique or CEA) from 2009 to 2015, before being named its Deputy General Manager (until 2018). In particular, he developed innovation partnerships with major international groups and European SMEs, as well as a new asset management business on behalf of third parties, focusing on ground-breaking innovations in the field of major transformations (digital, medical and energy revolutions), which is now led by Supernova Invest.
Prior to this, from 2001 to 2009, Christophe Gegout held various positions within the French Ministry of Economy and Finance, including advisor to Christine Lagarde, Finance Minister.
He is a graduate of the École polytechnique, Sciences-Po Paris, and ENSAE (French national school of statistics and economic administration).

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*
** *Listed company.*
(1) *Appointment as permanent representative of CEA Investissement, director appointed by co-option by the Board of Directors on April 20, 2015, for the remaining term of office of Christian Lucas, who resigned, ratified by the Shareholders at the Shareholders' General Meeting on July 10, 2015.*
(2) *Appointment as a director in his own right at the Ordinary and Extraordinary Shareholders' Meeting of April 11, 2016, approved contingent upon final completion of the share capital increases reserved for Bpifrance Participations, CEA Investissement and National Silicon Industry Group (NSIG). The actual start date of the term is the same date of final completion of said reserved capital increases, i.e. May 2, 2016.*

AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Satoshi Onishi

Number of shares held: 100

Date of first appointment: July 10, 2015

Start date of current term: July 26, 2018

End date of the term: SGM called to cast a vote on the financial statements for the fiscal year ending on March 31, 2021

56 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS

C S

TIME ON THE BOARD

4 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

71.43%

MAIN POSITION OUTSIDE THE COMPANY:

- Director of the Office of the President of Shin-Etsu Chemical Co. Ltd. (Japan)

CURRENT OFFICES OUTSIDE THE COMPANY:

N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- President and Chief Executive Officer of Shin-Etsu Handotaï Europe Ltd. (United Kingdom) (2012-2018)

PROFESSIONAL EXPERIENCE:

Satoshi Onishi was recently appointed as director of the Office of the President of Shin-Etsu Chemical Co. Ltd.

Previously, for more than five years, he was President & CEO of Shin-Etsu Handotaï Europe Ltd., a UK-based company.

He joined Shin-Etsu Chemical Co. Ltd. in 1985, where he initially worked for the IT division of Shin-Etsu Handotaï Co. Ltd. During that time, he designed and developed, as project manager, numerous Shin-Etsu basic systems, applied both Company-wide and to manufacturing processes.

Satoshi Onishi is an economics graduate from the University of Kagawa (Japan) in 1985, he also holds a master's degree in Industrial Systems Engineering from the University of Florida.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*

(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Sophie Paquin

Permanent representative of Bpifrance Participations, Director
Member of the Nomination Committee and the Compensation Committee

Number of shares held: 3,636,007 [3]

Date of first appointment: July 25, 2016

Start state of current term: July 25, 2016

End date of the term: reappointment proposed at the SGM of July 26, 2019

41 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

TIME ON THE BOARD

3 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

100%

MAIN POSITION OUTSIDE THE COMPANY:

- General Counsel of Bpifrance Investissement (France)

CURRENT OFFICES OUTSIDE THE COMPANY:

- Chairwoman of the Board of Directors of Altia Industry (France)
- Director of Cosmeur SAS (France) (in liquidation)
- Director of Tyrol Acquisition 1 SCA (Luxembourg)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Permanent representative of Bpifrance Participations, director of Vexim** (France) (until 2016)

PROFESSIONAL EXPERIENCE:

Sophie Paquin has been General Counsel at Bpifrance Investissement since June 1, 2014.
Before that, Sophie Paquin worked at the firm Latham & Watkins for eight years, specializing in mergers and acquisitions and corporate finance for both French and international companies.
She joined the Strategic Investment Fund when it was founded and worked in particular on structuring, negotiating and documenting investment transactions. In 2013, she worked with Bpifrance's Managing Director to help Bpifrance establish the legal and operational aspects of the Company as part of an assignment to set up the public investment bank.
Sophie Paquin is a lawyer and a graduate of ESSEC.

*   *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*
** *Listed company.*
(3) *Shares held by Bpifrance Participations.*

AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Guillemette Picard

Permanent representative of CEA Investissement, Director
Member of the Nomination Committee and the Compensation Committee

Number of shares held: 3,636,007 (4)
Date of first appointment: May 2, 2016 (5)
Start state of current term: July 25, 2016
End date of the term: reappointment proposed at the SGM of July 26, 2019

43 years old

BUSINESS ADDRESS*
soitec

SKILLS

COMMITTEES
AR N RS
C S

TIME ON THE BOARD
3 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019
94.44%

MAIN POSITION OUTSIDE THE COMPANY:
- Chief Customer Officer at Nabla (France)

CURRENT OFFICES OUTSIDE THE COMPANY:
N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:
- Director of Sigfox (France) (until 2016)

PROFESSIONAL EXPERIENCE:
Guillemette Picard has been Chief Customer Officer at Nabla since September 2018. Nabla is a young, innovative firm committed to speeding up the development of artificial intelligence in various industries.
She has over 15 years of experience in data science and in financing new technology in various sectors of industry.
Previously she was Head of Artificial Intelligence at Allianz France. From 2013 to 2017 she was Investment Director at Engie New Ventures. She helped set up, and led the corporate venture capital fund's strategic investments in the digital and mobility sectors.
From 2010 to 2013 she was an Energy Expert at the European Investment Bank (EIB), financing the developments of new energy technologies. From 2004 to 2010 she held various positions at Schlumberger in Europe and the US working on sensors and data analytics. She filed four patents in these fields.
Guillemette Picard has an engineering degree from the École polytechnique and a PhD in statistical physics.

* Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.
(4) Shares held by CEA Investissement.
(5) Appointment as the new permanent representative of CEA Investissement, director, recognized by the Board of Directors on May 2, 2016, following the appointment of Christophe Gegout as director in his own name and at the corresponding end of his role as permanent representative of CEA Investissement.

AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Kai Seikku

Member of the Strategic Committee, the Nomination Committee and the Compensation Committee

Number of shares held: 0

Date of first appointment: May 06, 2019(6)

Start date of current term: May 06, 2019(6)

End date of the term: SGM of July 26, 2019 **asked to ratify his co-option and reappointment**

54 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

TIME ON THE BOARD

0 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

N/A

MAIN POSITION OUTSIDE THE COMPANY:

- President & CEO of Okmetic Oy (Finland)
- Executive Vice-President of National Silicon Industry Group (NSIG) (China)

CURRENT OFFICES OUTSIDE THE COMPANY:

- Director of Robit Oy** (Finland)
- Director of Inderes Oy (Finland)
- Director of Verkkokauppa.com (Finland)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Director of Zing Semiconductor Corporation** (China) (July 2016 – December 2017)
- Director of Technology Industries of Finland (Finland) (January 2012 – December 2018)
- Vice-Chair of the Board of the University of the Arts Helsinki (January 2015 – December 2017)

PROFESSIONAL EXPERIENCE:

Since 2010 Kai Seikku has been President & CEO of Okmetic Oy, one of the top suppliers worldwide of tailor-made, high value-added silicon wafers for MEMS, sensors, discrete semiconductors and analog circuits.

Since Okmetic was bought in 2016 by NSIG group, an industrial holding company specializing in semiconductor materials and their ecosystem, he has also been Executive Vice-President of NSIG.

He is also a director of Robit (since 2018), Inderes (since 2016) and Verkkokauppa.com (since 2013) as well as an industrial consultant for Intera Partners, a private equity firm (since 2013).

Kai Seikku has 20 years' experience in executive management. He has 19 years' experience as a company director.

Before joining Okmetic he worked in the food industry as CEO of HKScan Corporation (2005-2009) and in marketing as Finland Regional Manager of McCann-Erickson (2002-2005) and CEO of Hasan & Partners (1999-2005).

Kai Seikku began his career at Bossard Consultants (Gemini Consulting) (1991-1993) before joining the Boston Consulting group (1993-1999) where he was project manager for Finland and Sweden.

He has a Masters in Economics from Aalto University of Helsinki.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*

** *Listed company.*

(6) *Appointment by co-option by the Board of Directors on May 6, 2019 for the remaining term of office of Nabeel Gareeb, who resigned on March 27, 2019. The ratification of the appointment and the renewal of the term of office will be proposed at the Shareholders' General Meeting of July 26, 2019.*

AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Thierry Sommelet

Member of the Audit and Risks Committee, the Strategic Committee and the Restricted Strategic Matters Committee

Number of shares held: *0*

Date of first appointment: *April 20, 2015*

Start date of current term: *November 29, 2017 (7)*

End date of the term: reappointment proposed at the SGM of *July 26, 2019*

49 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS
C S

TIME ON THE BOARD

6 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

93.98%

MAIN POSITION OUTSIDE THE COMPANY:

- Managing Director, member of the Management Committee, Head of Technology, Media, Telecom at Bpifrance (France)

CURRENT OFFICES OUTSIDE THE COMPANY:

- Chairman of the Supervisory Board of Greenbureau (France)
- Director of:
  - Groupe Ingenico** (France) (since May 2018)
  - Talend (France)**
  - Tyrol Acquisition 1 S.C.A. (Luxembourg)
- Permanent representative of:
  - Bpifrance Participations, director of Technicolor** (France) (since January 2017)
  - Bpifrance Investissement, director of Idemia (France) (since June 2017)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Director of:
  - TDF SAS (France) (until 2015)
- Member of the Supervisory Board of:
  - Sipartech (France) (until August 2016)
  - Group Mäder (France) (until June 2015)
  - Cloudwatt (France) (until March 2015)
- Permanent representative of:
  - Bpifrance Investissement, member of the Supervisory Board of Mersen** (France) (until May 2018)
  - Bpifrance Participations, member of the Supervisory Board of Inside Secure** (France) (until December 2016)

PROFESSIONAL EXPERIENCE:

Thierry Sommelet is a Managing Director and member of the Management Committee, Head of Technology, Media, Telecom at Bpifrance, the private equity division of the Banque Publique d'Investissement (formerly known as Fonds Stratégique d'Investissement, or FSI). He has over 15 years' experience in private and public financing in the technology, media and telecommunications sectors. He also is a member of the Boards of Directors or Supervisory Boards of several Technology, Media and Telecom companies, including listed companies in France and the United States.

Thierry Sommelet began his career working in capital markets at Crédit Commercial de France in 1992 in Paris, then in New York.

After serving as Manager of the financial engineers' team at Renaissance Software (later bought by SunGard) in Los Altos, then as COO of InfosCE in 2001, he joined the Investments and Digital Investments Department of Caisse des Dépôts et Consignations in 2002, which he headed up from 2007.

After joining Fonds Stratégique d'Investissement in 2009, he joined the teams at Bpifrance Investissement when it was created in 2013.

Thierry Sommelet is a graduate of the École nationale des ponts et chaussées. He also holds an MBA from INSEAD.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*
** *Listed company.*
(7) *Appointment by co-option by the Board of Directors during its meeting held on November 29, 2017 for the remaining term of office of Bpifrance Investissement, which resigned, and ratified by the shareholders during the Shareholders' General Meeting held on March 23, 2018.*

(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman · Finance · International · CSR/HR · Industry · Technologies, Media, Telecommunications (TMT) · R&D · Governance/Legal · Executive Management.

Jeffrey Wang

Member of the Audit and Risks Committee

Number of shares held: 0

Date of first appointment: May 06, 2019 (8)

Start date of current term: May 07, 2019 (8)

End date of the term: SGM of July 26, 2019 asked to ratify his co-option and reappointment

59 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

TIME ON THE BOARD

0 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

N/A

MAIN POSITION OUTSIDE THE COMPANY:

- Chairman & CEO of Shanghai Simgui Technology Co. Ltd. (China)
- Executive Vice-President of National Silicon Industry Group (NSIG) (China)

CURRENT OFFICES OUTSIDE THE COMPANY:

N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Director of Okmetic Oy (Finland) (July 2016 – January 2018)
- President & executive director of Advanced Semiconductor Manufacturing Corporation (ASMC)** (China) (March 2012 – August 2015)

PROFESSIONAL EXPERIENCE:

Since 2016, Jeffrey Wang has been Chairman & CEO of Shanghai Simgui Technology Co. Ltd. (Simgui), a longstanding partner of Soitec and a leading global supplier of SOI wafers, tailor-made epitaxial wafers and other solutions for the semiconductor industry. In March 2019 he became Executive Vice-President of NSIG, an industrial holding company specializing in semiconductor materials and their ecosystem, to which Simgui belongs.

He has in-depth knowledge of the semiconductor industry with 29 years' experience in R&D, manufacturing, operations and management.

Before joining Simgui, he was Vice-President Operations (2008-2012) and then President & executive director (2012-2015) of Advanced Semiconductor Manufacturing Corporation (ASMC), a leading foundry of analog semiconductors.

Previously he was Managing Director of ANADIGICS China Corporation (2007-2008), Vice-President Operations of Shanghai Belling Corporation (2006-2007) and Senior Manager & Special Assistant of the Senior Vice-President Operations of Semiconductor Manufacturing International Corporation (SMIC) (2001-2006).

Jeffrey Wang started out in Silicon Valley as an engineer first at Vishay Siliconix (1995-2000) and then at Maxim Integrated Products (2000-2001).

He earned a BA in physics and a PhD in physical chemistry from Fudan University (Shanghai) followed by post-doctoral work in applied physics at Harvard University.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*
** *Listed company.*
(8) *Appointed by co-option by the Board on May 6, 2019 for the remaining term of office of Weidong (Leo) Ren, who resigned, approved contingent upon written confirmation of the resignation of Weidong (Leo) Ren. The actual start date of the term is the same date as the date of written confirmation of the resignation of Weidong (Leo) Ren's, i.e. May 7, 2019. The ratification of the appointment and the renewal of the term of office will be proposed at the Shareholders' General Meeting of July 26, 2019.*

AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Directors whose appointment is proposed at the Shareholders' General Meeting of July 26, 2019

Françoise Chombar

Independent Director

Member of the Strategic Committee, the Nomination Committee and the Restricted Strategic Matters Committee (9)

Number of shares held: 0

Date of first appointment: first appointment proposed to the SGM of July 26, 2019

Start date of current term: N/A

End date of the term: N/A

57 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

TIME ON THE BOARD

N/A

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

N/A

MAIN POSITION OUTSIDE THE COMPANY:

- Co-founder and Chief Executive Officer of Melexis* (Belgium)

CURRENT OFFICES OUTSIDE THE COMPANY:

- Director of Umicore* (Belgium)
- Chairwoman of STEM Platform (Belgium)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Member of the Advisory Board of ISEN (France) (2014 - 2016)
- Director of EVS Broadcast Equipment* (Belgium) (2012 - 2015)

PROFESSIONAL EXPERIENCE:

Françoise Chombar has been Chief Executive Officer of Melexis since 2003, having co-founded the company in 1989 and holding a variety of positions in it including Deputy Chief Executive Officer from 1997 to 2003. Melexis manufactures integrated semiconductor sensor, driver and communications circuits dedicated to automotive applications.

At the same time, she is a director on the Board of Umicore (since 2016), a group specialized in materials technology and recycling. She is also Chairwoman of STEM Platform, an organization that aims to encourage young people to study Sciences, Technology, Engineering and Mathematics and to promote these disciplines to the general public.

In addition, she has been a mentor for the SOFIA Women's Network, a coaching organization for working women (from 1999 to 2016) and promoted the accession of women to Boards of Directors through her membership of the Women on Board non-profit.

Prior to joining Melexis, Françoise Chombar worked at Elmos, a German semiconductor supplier, where she was in charge of Production Planning and Customer Service (from1985 to 1989).

Françoise Chombar holds a Master's degree in interpreting (Dutch, English and Spanish) from Ghent University

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*

(9) *Subject to her appointment as a Director at the Shareholders' General Meeting of July 26, 2019.*

AR Audit and Risks Committee N Nomination Committee RS Restricted Strategic Matters Committee C Compensation Committee S Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Shuo Zhang

Independent Director

Member of the Audit and Risks Committee, the Compensation Committee and the Strategic Committee [9]

Number of shares held: 0

Date of first appointment: first appointment proposed at the SGM of July 26, 2019

Start date of current term: N/A

Expiry date of term: N/A

54 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

TIME ON THE BOARD

N/A

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

N/A

MAIN POSITION OUTSIDE THE COMPANY:

- Managing Partner & CEO of Renascia Partners LLC (USA)
- Advisory Partner of Benhamou Global Ventures (USA)
- Operating Partner at Atlantic Bridge Capital (USA)

CURRENT OFFICES OUTSIDE THE COMPANY:

- Director of Grid Dynamics (USA)
- Executive Director of Telink Semiconductor Corp. (China)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Director of Ampleon (Netherlands) (October 2015 – December 2017)

PROFESSIONAL EXPERIENCE:

Shuo Zhang has been Managing Partner & CEO of Renascia Partners LLC since July 2015, Advisory Partner of Benhamou Global Ventures since February 2016 and Operating Partner of Atlantic Bridge Capital since January 2018.

Since 2017 she has also been a director of Grid Dynamics and an executive director of Telink Semiconductor Corp.

Shuo Zhang has over 25 years of experience in general management, marketing, sales and strategic business development in the semiconductor industry.

She has held various management positions at Cypress Semiconductors (2007-2015), Silicon Light Machines (2006-2007), Agilent Technologies (2000-2006), Altera (1998-2000), Quester Technologies (1996-1998) and LSI Logic (1994-1996).

She started out as a research assistant at the Chinese Academy of Sciences (1987-1989) and at Penn State University (1990-1994).

Shuo Zhang has an MS Engineering degree from Penn State University (United States), a BS in Electrical Engineering from Zhejiang University (China) and an Executive Management degree from Stanford University (USA).

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*

(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Directors in office during the fiscal year ended on March 31, 2019 and whose term has ended

Douglas Dunn

Senior Independent Director
Chairman of the Strategic Committee
Member of the Nomination Committee

Number of shares held: 0

Date of first appointment: July 9, 2004

Start date of latest term: July 26, 2017

End date of last term: July 26, 2018

75 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS
C S★

TIME ON THE BOARD

14 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

100%

MAIN POSITION OUTSIDE THE COMPANY:

- Company Director

CURRENT OFFICES OUTSIDE THE COMPANY:

- Non-executive and independent director of Global Foundries Inc. (USA)
- Vice-Chairman of the Supervisory Board of BE Semiconductor Industries NV** (Netherlands)

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Member of the Supervisory Board of TomTom NV** (Netherlands) (until May 2017)

PROFESSIONAL EXPERIENCE:

Douglas Dunn has around 50 years' professional experience in electronics, 43 of which were spent in the semiconductor industry.

In December 2014, he withdrew from his operational role in the Dutch company ASML, a leader in the supply of photolithographic equipment for the semiconductor industry, where he had held until then the position as Chairman and CEO for 6 years.

Prior to this, he was Chairman and CEO of the Semiconductor and Electronics Retail Division of the Philips group in the Netherlands. He was also a member of the Philips Management Committee.

From 1980 to 1993, Douglas Dunn was CEO of GEC-Plessey Semiconductors, after having held various management positions at Motorola Semiconductors from 1969 to 1980.

Douglas Dunn graduated with a degree in electrical and electronics engineering from Sheffield College of Advanced Technology.

In 1992, he was awarded an OBE by Queen Elizabeth II for service to the semiconductor industry. In 2004, he was made an Officer of the Order of Orange-Nassau in the Netherlands for contributions to the Dutch electronics industry.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*
** *Listed company.*

(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman Finance International CSR/HR Industry Technologies, Media, Telecommunications (TMT) R&D Governance/Legal Executive Management.

Nabeel Gareeb

Member of the Strategic Committee

Number of shares held: 0

Date of first appointment: November 29, 2017 (9)

Start date of last term: November 29, 2017 (9)

End date of last term: March 27, 2019 (10)

54 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS C S

TIME ON THE BOARD

1 year

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

41.67%

MAIN POSITION OUTSIDE THE COMPANY (11):

- Member of the CEO office of National Silicon Industry Group (NSIG) (China)

CURRENT OFFICES OUTSIDE THE COMPANY (11):

N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS (11):

N/A

PROFESSIONAL EXPERIENCE (11):

Since 2017, Nabeel Gareeb has been with the National Silicon Industry Group, in order to establish a materials ecosystem to support the growth of the semiconductor industry in China. Thus he came back into the public sphere.

He began working at a company producing computer-aided design software (CAD/CAM) that was bought by IBM. In 1987, he joined Accenture to implement operational consulting solutions in Southern California.

In 1992, he joined International Rectifier, a semiconductor manufacturer listed on the New York Stock Exchange, where he later became Chief Operating Officer. He worked there for about ten years.

In 2002, Nabeel Gareeb became CEO of MEMC Electronic Materials, Inc., an international manufacturer of wafers for the semiconductor industry, listed on the New York Stock Exchange. Subsequently, Nabeel Gareeb retired from public life in 2008 and spent ten years managing his personal investments, financing start-up companies and managing the philanthropic activities of his private foundation.

Nabeel Gareeb obtained his Bachelor in Sciences in Electrical and Computer Engineering from Harvey Mudd University and his Master in Sciences in technical management from the Claremont Graduate School.

* *Chemin des Franques - Parc Technologique des Fontaines - 38190 BERNIN.*

(9) Appointment by co-option by the Board of Directors on November 29, 2017 for the remaining term of office of Xi Wang, who resigned, ratified by the shareholders at the Shareholders' General Meeting held on March 23, 2018.

(10) Resignation on March 27, 2019, with immediate effect, following a reorganization of the NSIG Group.

(11) Data not updated since March 2019.

(AR) Audit and Risks Committee (N) Nomination Committee (RS) Restricted Strategic Matters Committee (C) Compensation Committee (S) Strategic Committee.

★ Chairman, Finance, International, CSR/HR, Industry, Technologies, Media, Telecommunications (TMT), R&D, Governance/Legal, Executive Management.

Weidong (Leo) Ren

Member of the Audit and Risks Committee, the Compensation Committee and the Nomination Committee

Number of shares held: 0

Date of first appointment: April 11, 2016 (12)

Start date of last term: May 2, 2016 (12)

End date of last term: May 7, 2019 (13)

48 years old

BUSINESS ADDRESS*

soitec

SKILLS

COMMITTEES

AR N RS

C S

TIME ON THE BOARD

3 years

ATTENDANCE RATE AT BOARD & COMMITTEE MEETINGS 2018-2019

91.01%

MAIN POSITION OUTSIDE THE COMPANY:

- Managing Director of Anxin Capital (China) (since September 2016)
- Co-founder of BDStar Capital (China) (since May 2013)

CURRENT OFFICES OUTSIDE THE COMPANY:

N/A

OFFICES OUTSIDE THE COMPANY EXPIRED IN THE LAST FIVE YEARS:

- Co-founder & Managing Director of National Silicon Industry Group (NSIG) (China) (August 2015 – March 2019)
- Chairman of the Board of Directors:
  - Norstel AB (Sweden) (December 2016 - February 2019)
  - Okmetic Oy (Finland) (July 2016 – Dec. 2017)
- Director of Zing Semiconductor Corporation** (China) (June 2016 – May 2017)
- Co-founder and Managing Director, Founding President of China Fortune-Tech Capital Co., Ltd. (China) (October 2013 – August 2015)

PROFESSIONAL EXPERIENCE:

Weidong (Leo) Ren has been Managing Director of Anxin Capital since late 2016. In 2013, he co-founded BDStar Capital.

In August 2015, he co-founded National Silicon Industry Group, one of three strategic investors in the Company via its subsidiary NSIG Sunrise S.à.r.l., and was its Managing Director until March 2019.

In 2013, he co-founded and became the Managing Director of China Fortune-Tech Capital Co., Ltd., and specializes in private equity/venture capital and mergers and acquisitions activities in the semiconductor industry (until 2015).

From 2011 to 2013, Weidong Ren held the position of Mergers and Acquisitions Director and was a member of the Investment Decisions Committee at Heaven-Sent Capital Co., Ltd.

Until 2011, he worked for many years at Lucent Technologies, then Alcatel-Lucent, where he was Vice-Chairman.

Weidong (Leo) Ren graduated in IT and communications from the Xi'an Institute of Post & Telecommunications, and obtained an Executive MBA from the University of Beijing in 2004.

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** *Listed company.*

(12) Appointment as a director in his own name at the Ordinary and Extraordinary Shareholders' Meeting of April 11, 2016, approved contingent upon final completion of the share capital increases reserved for Bpifrance Participations, CEA Investissement and National Silicon Industry Group (NSIG). The actual start date of the term is the same date of final completion of said reserved capital increases, i.e. May 2, 2016.

(13) Resignation on May 7, 2019, with immediate effect, following a reorganization of the NSIG Group.

4.1.2.4 Main principles governing the composition of our Board

Statutory provisions

The legal provisions pursuant to Articles L. 225-17 et seq. of the French Commercial Code apply to the composition of our Board of Directors.

These are repeated in our Company's by-laws which are reproduced in full in section 9.1.2 of this Registration Document and in our Board of Directors' internal regulation.

Additional provisions

Our Company's by-laws as well as our Board of Directors' internal regulation set out certain rules in addition to the provisions of law. The shareholders' agreement signed on March 7, 2016 between Bpifrance Participations, CEA Investissement, and NSIG Sunrise S.à.r.l., our 3 strategic investors, and the Company also sets out specific stipulations in relation to our Company's governance.

Terms of office

Since our Shareholders' General Meeting of July 25, 2016, Directors' terms of office have been shortened by 1 year, switching from 4 years to 3 years.

Terms underway at the time were shortened by 1 year.

Our Directors appointed from that date are appointed for a period of 3 years until the close of the Shareholders' General Meeting called to approve the financial statements for the year ended and held in the same year that the terms of office in question expire.

Directors may always be reappointed.

Office of the Board of Directors

According to Article 14 of our by-laws, the Chairman of our Board of Directors cannot be older than seventy years old.

This Article also states that, for each meeting, the Board may appoint a secretary who may or may not be a member of the Board.

Profile of candidates for the position of Director

Article 1 a) of our Board of Directors' internal regulation states that the Board must make every effort to make appointment proposals to shareholders consisting of members with industrial and/or accounting and financial skills. Furthermore, their profiles and skills should match our Company's needs and regulatory requirements as well, to the extent possible, the recommendations of the AFEP-MEDEF Code of corporate governance.

According to the terms of Article 1 b) of these same internal regulation, the age limit for holding the office of Director within our Company is set at 74 years old.

Independence

This same Article 1 a) states that consideration of the interests of minority shareholders is covered by the appointment of independent members in sufficient number.

For this purpose, the Board of Directors shall make its best efforts, to the extent possible, to ensure that its composition (and in particular, the number of independent Directors) is in line with the recommendations of the AFEP-MEDEF Code of corporate governance.

Each time that a Director is appointed or renewed, the main features of the candidate's career path and the conclusions of our Board of Directors as to his independence shall be disclosed to the Shareholders' General Meeting which is to vote on the corresponding appointment/renewal.

Directors proposed by Bpifrance Participations, CEA Investissement, and NSIG Sunrise S.à.r.l.

According to the terms of the shareholders' agreement dated March 7, 2016, the Company has made an undertaking to put the necessary resolutions to shareholders' vote to ensure that each of our 3 strategic investors has:

- 2 representatives on the Board of Directors, provided that its stake is equal to or greater than 10% of our share capital; or
- 1 representative on the Board of Directors, provided that its stake is between 5% and 10%,

up until the expiry of the shareholders' agreement, i.e. until the close of the Shareholders' General Meeting to be called in 2021 to cast a vote on the financial statements for the fiscal year 2020-2021.

To this end, the 3 strategic investors have undertaken to each cast a positive vote on said resolutions.

Moreover, each of our 3 strategic investors has made a commitment to have one of those Directors identified as being related thereto resign from his/her duties if the stake held by the relevant strategic investor were to fall below the level of 10% of our share capital. The second Director identified as being related thereto shall also resign if the stake were to fall below the level of 5% of share capital.

Observer

An observer may be part of our Board of Directors in application of Article 12.4 of our by-laws.

Appointed by the Shareholders' General Meeting, his term of office is 2 years and may be renewed without limitation. The age limit for holding this position is seventy years old.

The observer is convened to attend all meetings of the Board of Directors and takes part in deliberations in an advisory capacity.

He may receive Directors' fees under the same terms and conditions as the Directors at the discretion of the Board of Directors.

4.1.2.5 Additional remarks on the current composition of our Board

Representatives of our 3 strategic investors

As at April 1, 2018, the representatives of our 3 strategic investors on the Board of Directors were as follows:

- for Bpifrance Participations: Bpifrance Participations itself, represented by Sophie Paquin, and Thierry Sommelet;
- for CEA Investissement: CEA Investissement itself, represented by Guillemette Picard, and Christophe Gegout;
- for NSIG Sunrise S.à.r.l.: Nabeel Gareeb and Weidong (Leo) Ren.

Following the resignations of the latter 2 Directors on March 27 and May 7, 2019, the representatives of NSIG Sunrise S.à.r.l. on our Board are now Kai Seikku and Jeffrey Wang.

For their part, the representatives of Bpifrance Participations and CEA Investissement are unchanged.

Representatives of our Works Council

Four representatives of our Works Council attend all the meetings of the Board of Directors in an advisory capacity, in accordance with Article L. 2323-63 of the French Labor Code.

Since the meeting of December 6, 2016, these have been:

- Laurence Doutre-Roussel, representing technicians section;
- Franck Fitouchi, representing managers section;
- Cécile Leroux, representing technicians section; and
- Kamel Mouhad, representing operators section.

Absence of any Directors representing our employees or our employee shareholders

To date, our Board of Directors does not have any Directors who represent our employees, or any Director who represents our employee shareholders.

This situation may change in the future.

Indeed, at the end of fiscal year 2018-2019, the number of full-time employees with an unlimited term employment contract with any one of the French companies within our Group crossed the threshold of 1,000 to stand at around 1,450.

Our Company expects that this threshold of 1,000 employees will also be exceeded as of the end of the current 2019-2020 fiscal year.

Should that be achieved, in accordance with the provisions of Article L. 225-27-1 of the French Commercial Code, our Company's by-laws would have to be modified by September 30, 2020 at the latest in order to determine the conditions under which Directors representing employees would be appointed to the Board of Directors.

In the 6 months following this modification, i.e. by March 31, 2021, Directors representing the employees would need to be elected or appointed.

Given the current size of our Board of Directors comprised of 12 members, 2 Directors representing employees would need to be appointed.

Indeed, the threshold which triggers the need to appoint at least 2 Directors representing employees is 8 Directors present on the Board prior to the arrival of those representing the employees.

Previously set at 12 members, this threshold defined in paragraph II. of Article L. 225-27-1 of the French Commercial Code was reduced to 8 in application of Article 184 of law 2019-486 of May 22, 2019 on corporate growth and development (also known as the "PACTE law").

Absence of any Board observer

Since the expiration of the term of office of Sébastien Blot at the close of the Shareholders' General Meeting held on July 25, 2016, there has been no observer sitting on our Board of Directors.

4.1.2.6 Change in the composition of our Board since the beginning of the 2018-2019 fiscal year and to date

At April 1, 2018, our Board of Directors was made up of 12 Directors.

Several changes have occurred to its composition since this date without any change in the number of Directors.

No family ties existed or exist between any of the 12 Directors.

Paul Boudre is the only Director who performs a role as a member of Executive Management.

Appointment of Éric Meurice and election as Chairman

As announced in a press release dated July 31, 2018, Éric Meurice replaced Douglas Dunn by becoming a Director at the close of the Shareholders' General Meeting held 5 days before.

Furthermore, he had been selected by his peers as Senior Independent Director and member of the Nomination Committee and the Strategic Committee. He had also taken over as Chairman of the latter.

Our Board of Directors wished to pay a unanimous tribute to Douglas Dunn. Throughout his fourteen years in office, he made an active and positive contribution to the work of the Board and its Committees and was thanked warmly for his efforts. He has been assiduous with regard to meeting attendance and made high quality contributions, which were acknowledged by our Directors.

Moreover, Éric Meurice was appointed as Chairman of the Board of Directors, as announced in a press release on March 28, 2019. He retains his duties as Chairman of the Strategic Committee and member of the Nomination Committee. Furthermore, following his decision not to stand for a new term of office within NXP Semiconductors N.V., one of our main customers, Éric Meurice became independent.

He replaced Thierry Sommelet who had held this role for an extended 16-month interim period. Thierry Sommelet will continue to contribute to the work of the Board and the Committees on which he sits.

Our Board of Directors took this opportunity to warmly thank Thierry Sommelet for having skillfully and efficiently assumed the role of Chairman during this interim period, beyond his invaluable personal contributions.

Resignation of Nabeel Gareeb and of Weidong (Leo) Ren

Further to a restructuring of the NSIG Group due to its initial public offering, Nabeel Gareeb and Weidong (Leo) Ren resigned as Directors, effective March 27 and May 7, 2019 respectively.

The Board expressed its sincere thanks to them for their involvement and contribution to its work and to that of the Committees since their arrival.

Appointment of Kai Seikku and of Jeffrey Wang

As announced in a press release dated May 27, 2019, NSIG Sunrise S.à.r.l. has proposed Kai Seikku and Jeffrey Wang to replace Nabeel Gareeb and Weidong (Leo) Ren, in accordance with our Company's shareholders' agreement, the provisions of which are set out above in section 4.1.2.3.

After deliberations, the Board of Directors has decided to co-opt them, respectively for the remaining terms of office of the 2 resigning directors, *i.e.* until the close of the Shareholders' General Meeting which will be convened on July 26, 2019.

Kai Seikku was appointed by his peers as a member of the Strategic Committee, the Nomination Committee, and the Compensation Committee, while Jeffrey Wang was appointed as a member of the Audit and Risks Committee.

Their appointments shall be subject to ratification by shareholders at the next Shareholders' General Meeting on July 26, 2019.

Furthermore, the renewal of the terms of office of Kai Seikku and Jeffrey Wang will be proposed at this meeting.

Biographical details concerning Kai Seikku and Jeffrey Wang are set out in section 4.1.2.3 of this Registration Document.

4.1.2.7 Upcoming changes in the composition of our Board of Directors

In line with the recommendation of the Nomination Committee at its meeting of May 1, 2019, our Board of Directors will propose to our shareholders at the Shareholders' General Meeting of July 26, 2019 that they appoint Shuo Zhang to the Board as a new independent Director.

Shuo Zhang would replace Monica Beltrametti, whose term will expire at the close of the Shareholders' General Meeting of July 26, 2019. Monica Beltrametti had indicated her wish to step down from the Board.

If the Shareholders' General Meeting approves Shuo Zhang's appointment, she would be chosen by her peers to join the Audit and Risks Committee, the Compensation Committee and the Strategic Committee.

Furthermore, our Board intends to entrust Shuo Zhang with a special assignment (details forthcoming) for which she would earn and receive exceptional compensation. In line with applicable regulations, this assignment and the compensation tied to it would be subject to the rules governing regulated agreements set out in Articles L. 225-38 *et seq.* of the French Commercial Code.

The appointment of Françoise Chombar as a new independent Director will also be proposed at our Shareholders' General Meeting of July 26, 2019. She would be taking over from Nadine Foulon-Belkacémi whose appointment will also expire on this date.

Should the Shareholders' General Meeting agree to her appointment, Françoise Chombar would be selected by her peers as a member of the Nomination Committee, of the Strategic Committee, and of the Restricted Strategic Matters Committee.

The appointments of Shuo Zhang and Françoise Chombar would each be for a term of three years, to expire at the end of the Ordinary Shareholders' General Meeting to be held in 2022 to cast a vote on the financial statements for the fiscal year ending on March 31, 2022.

Biographical details concerning Shuo Zhang and Françoise Chombar are set out in section 4.1.2.3 of this Registration Document.

4.1.2.8 Focus on balanced gender representation within our Board of Directors

- Since our Shareholders' General Meeting of July 26, 2017, the composition of our Board of Directors has complied with Articles L. 225-17 and L. 225-18-1 of the French Commercial Code.

  Derived from law No. 2011-103 of January 27, 2011 on the balance gender representation on Boards of Directors and Supervisory Boards and on equal opportunity (also known as *loi Copé-Zimmermann*), these articles state that: *"The composition of the Board of Directors must seek a balanced representation between women and men" and "The proportion of directors from each gender cannot be less than 40% in companies whose shares are listed for trading on a regulated market".*
- Thus, on July 26, 2017, Victoire de Margerie was appointed to the Board in replacement of Joseph Martin. Between then and November 28, 2017, the Board of Directors had 6 women Directors out of a total of 13 members, representing a proportion of 46.15%.
- Since November 28, 2017, following the resignation of Victoire de Margerie as Director and Chairwoman of the Board of Directors, our Board has had 5 women directors out of a total of 12 members, representing a proportion of 41.66%.
- The resolutions that will be put to our shareholders' vote at the Shareholders' General Meeting convened on July 26, 2019 seeking the appointment of Shuo Zhang in replacement of Monica Beltrametti, the appointment of Françoise Chombar in replacement of Nadine Foulon-Belkacémi, and the reappointment of 8 Directors will not affect our Board of Directors' gender balance.

  Indeed, if all these resolutions are adopted, the Board will still have 5 women Directors out of a total of 12 members, representing an unchanged proportion of 41.66%.

4.1.2.9 Independence

Analysis by the Nomination Committee

In accordance with the recommendations of paragraphs 6.2 and 9 of the AFEP-MEDEF Code, our Board of Directors performs a yearly self-assessment of its composition, organization and functioning, as well as those of its Committees.

Within this framework, our Directors are asked to decide whether they can be considered as independent under the meaning of the criteria set in paragraph 8 of the AFEP-MEDEF Code recalled below.

Responsible for monitoring the situation of each one in order to manage the risks of compromising freedom of judgement and potential conflicts of interest, the Nomination Committee analyzed the elements communicated by our directors within the self-assessment questionnaires.

After discussions, its members concluded that amongst our 12 directors, 4 are independent: our Chairman Éric Meurice, Monica Beltrametti, Laurence Delpy and Nadine Foulon-Belkacémi.

These 4 directors have no other relations whatsoever with our Company, Group or Executive Management that may compromise the exercise of their freedom of judgement. Furthermore, the 4 directors have no specific interest ties with these entities.

With regard to Éric Meurice, following his decision not to stand for a new directorship within NXP Semiconductors N.V., one of our main customers, the Nomination Committee considered that he now meets all of the independence criteria set out in the AFEP-MEDEF Code.

The Nomination Committee also noted that our 8 non-independent Directors do not match the AFEP-MEDEF Code independence criteria for the following reasons:

- the existence of existing business relations between our Company and other companies within which certain directors occupy executive management positions; or
- the fact that they represent shareholders owning over 10% of our share capital and voting rights.

Board conclusions

During its meeting of June 12, 2019, having heard the Nomination Committee's report on the situation of the Board's independence, it recorded the fact that the proportion of independent Directors within it is 33.33% compared to 25% previously.

Despite this progress, this rate of 33.33% is not sufficient to meet the AFEP-MEDEF Code's recommendation.

Our Board will, therefore, continue to pursue its objective of increasing its independence ratio, in order to exceed the rate of 50% recommended for companies with dispersed ownership and without controlling shareholders in the future.

As since the beginning of the 2016-2017 fiscal year, it will focus its search for future Directors on candidates qualifying for independent status, while respecting the appropriate balance of its composition, notably in terms of skills and diversity, as well as the specifications relative to our Board of Directors set out in our Company's shareholder agreement.

Our Board thus proposes the appointment of Shuo Zhang as a new independent Director to replace Monica Beltrametti, herself an independent Director, whose term will expire at the end of the Shareholders' General Meeting of July 26, 2019.

This is also the case regarding the appointment of Françoise Chombar as new independent Director, on which our shareholders shall be asked to vote on the same date. She would take over from Nadine Foulon-Belkacémi who has expressed her wish not to have her appointment renewed beyond its current term.

If these 2 appointments are approved, the proportion of independent Directors on our Board would stay at its current rate of 33.33%.

Reminder of the independence criteria set by the AFEP-MEDEF Code

Criterion 1: Employee corporate officer during the 5 previous years
Not be or not have been over the five previous years:
- an employee or executive corporate officer of the Company;
- an employee, executive corporate officer or director of a company that the Company consolidates;
- an employee, executive corporate officer or director of the parent company of the parent company or a company consolidated by the parent company.

Criterion 2: Cross-directorships
Not be an executive corporate officer of a company in which the Company directly or indirectly holds a term of office as director or in which an employee designated as such or an executive corporate officer of the Company (currently or for at least five years) holds a term of office as director.

Criterion 3: Significant business relations
Not be a significant customer, supplier, investment banker, financing banker, consultant:
- of the Company or its group;
- or for which the Company or its group represents a significant share of its business.

The assessment of the significant nature of the relations with the Company or its Group is discussed by the Board and the quantitative and qualitative criteria that have led to this assessment (continuity, economic dependency, exclusivity, etc) are explained in the annual report.

Criterion 4: Family ties
Not have a close family tie with a corporate officer

Criterion 5: Statutory auditors
Not have been a statutory auditor of the Company over the 5 previous years.

Criterion 6: Duration of term of office exceeding 12 years
Not have been a director of the Company for more than 12 years. The loss of the qualification as independent director occurs at the twelve year anniversary date.

Criterion 7: Status of non-executive corporate officer
A non-executive corporate officer may not be considered as independent if he/she receives variable compensation in cash or in equity shares or any compensation related to the performance of the Company or the Group.

Criterion 8: Status of significant shareholder
Directors representing significant shareholders of the Company or its parent company may be considered as independent if these shareholders to not take part in the Company's control. However, beyond a threshold of 10% in share capital or voting rights, the Board, upon the report by the Nomination Committee, will systematically discuss the qualification of independence by taking into account the composition of the Company's share capital and the existence of a potential conflict of interest.

Summary table on independence

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Conclusion
	Employee corporate officer during the 5 previous years	Cross-directorships	Significant business relations	Family ties	Statutory auditors	Duration of term of office exceeding 12 years	Status of non-executive corporate officer	Status of significant shareholder	
Directors currently in office									
Éric Meurice	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Boudre	✗	✓	✓	✓	✓	✓	✓	✓	✗
Monica Beltrametti	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bpifrance Participations (represented by Sophie Paquin)	✓	✓	✓	✓	✓	✓	✓	✗	✗
CEA Investissement (represented by Guillemette Picard)	✓	✓	✗	✓	✓	✓	✓	✗	✗
Laurence Delpy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nadine Foulon-Belkacémi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Christophe Gegout	✓	✓	✗	✓	✓	✓	✓	✗	✗
Satoshi Onishi	✓	✓	✗	✓	✓	✓	✓	✓	✗
Kai Seikku	✓	✓	✗	✓	✓	✓	✓	✗	✗
Thierry Sommelet	✓	✓	✓	✓	✓	✓	✓	✗	✗
Jeffrey Wang	✓	✓	✗	✓	✓	✓	✓	✗	✗
Directors whose appointment is proposed to the Shareholders' General Meeting of July 26, 2019									
Shuo Zhang	✓	✓	✓	✓	✓	✓	✓	✓	✓
Directors in office during fiscal year ended on March 31, 2019 and whose term of office has expired									
Douglas Dunn	✓	✓	✗	✓	✓	✗	✓	✓	✗
Nabeel Gareeb	✓	✓	✗	✓	✓	✓	✓	✗	✗
Weidong (Leo) Ren	✓	✓	✗	✓	✓	✓	✓	✗	✗

4.1.2.10 Tasks and work of our Board of Directors

Tasks of our Board of Directors

In accordance with Article L. 225-35 of the French Commercial Code, our Board of Directors determines the focuses of our Company's business and ensures its implementation.

It examines and decides the important transactions, based on the work and recommendations of the Committees that it has set up.

Subject to the powers expressly attributed to the Shareholders' General Meetings and within the limit of the Company's corporate purpose, it shall consider any issue affecting the proper functioning of our Company and shall resolve the matters relating to it.

Specifically, our Board of Directors:

- determines and regularly reviews our Group's strategy;
- appoints the executive corporate officers responsible for implementing this strategy;
- controls the Group's management conducted by our executive managers;
- defines our Company's financial communications policy;
- monitors the quality of the information provided to shareholders and the markets, through the financial statements or during significant operations; and
- performs the checks and verifications that it deems appropriate.

Furthermore, its approval and/or prior information is required in the cases stipulated in Article 3 c) of its internal regulation, entirely reproduced in paragraph 4.1.1.1 above.

Board of Director's information

Supporting documentation on meeting agendas

To enable our Board of Directors to perform its tasks, prior to each meeting, our Directors receive the documentation relating to the agenda.

Since October 2012, we have conducted an approach to dematerialize our Board files and Committees documents packs, thanks to the implementation of a secure document sharing platform. In addition to making their transmission to our Directors more secure, they are systematically and automatically archived. They are also more easily accessed as this tool enables them to be consulted at any time on a computer, tablet or smartphone. Our Directors are able to make comments directly on the computerized documents. This software also ensures that our Board has the most up-to-date documentation possible for its meetings.

Continuous information

When he/she takes office, each Director receives the documentation required for understanding the rules of our Board's functioning.

Our Directors may also meet our Group's main executive managers and have the possibility, if they deem necessary, of benefiting from additional training on our Company, its businesses and sector of activity.

Outside of their meetings and legal obligations, if the importance or urgency of the information requires it, they receive all information useful for exercising their duties.

They receive press articles and financial analysis reports including relevant information on our Company.

The Executive Management also transmits a scorecard to our Directors on a monthly basis indicating the effective levels of achievement of key - in particular financial - indicators and including a comparison with budgeted levels.

Our executive managers and the Secretary of the Board are available to provide our Directors with any information or explanations required for performing their duties.

Meetings of our Board of Directors

Our Board of Directors is convened by its Chairman, Éric Meurice, whenever necessary and at least 4 times a fiscal year.

Since April 1, 2018, 7 meetings were held.

The average overall attendance rate is 86.5%.

In order to have a quorum, at least one half of the Directors must be effectively present. Those taking part in the meeting *via* videoconference or any other telecommunications methods that enable identification are deemed to be present for the calculation of the quorum and majority.

A Director may grant power of attorney to another Director to act as his representative. During a single meeting, each Director may hold one such power of attorney only. The powers of attorney are attached to the attendance record.

Decisions are made on the basis of a majority of those members present or represented. The Chairman does not have a casting vote.

The working language of our Board of Directors is French, with simultaneous interpretation in English.

Work of our Board of Directors

Each year, like its peers, our Board is required to examine and rule on themes that are identical from one fiscal year to another. On a non-exhaustive basis, these include, for example:

- the review of our Group's business and strategy, as well as the determination of its strategic directions;
- approval of our budget;
- approval of our statutory and consolidated annual and half-yearly financial statements;
- approval of our Company's provisional financial statements;
- determination of the compensation for our executive corporate officers;
- review of the information made available to the public;
- preparation of the annual Shareholders' General Meeting;
- its self-assessment;
- the review and/or approval of the new or renewed regulated agreements;
- the examination of the undertakings, endorsements and guarantees granted by our Company;
- the re-examination of its internal regulation; and
- approval of the minutes of its meetings.

In addition to the recurrent subjects that comprise the themes on which our Directors work every year, the following exceptional subjects were covered during the 2018-2019 fiscal year:

Strategic Committee

1. **External growth operations**
   - **Acquisition of the assets and certain liabilities of Dolphin Intégration**, during summer 2018 as part of a business combination within a new subsidiary called Dolphin Design, 60% owned by our Company and 40% by MBDA, for a **total amount of €200 thousand**.
     For our Company, this acquisition is a ***strategic opportunity to strengthen our comprehensive offering of patents and services*** *dedicated to effective energy solutions for the design* ***of chips on FD-SOI.*** *This is a* **major differentiation factor** *for FD-SOI and a true* ***adoption*** **accelerator** *for FD-SOI in significant market segments.*
   - **Acquisition of 100% of the equity shares of EpiGaN**, completed on May 13, 2019, after the closing date of the 2018-2019 fiscal year, for **€30 million** in cash, with an **earn-out** based on the achievement of targets.
     This acquisition will enable our Group to ***strengthen its foothold in the fast-growing*** *5G, power electronics and sensor segments. It also creates* ***further, complementary growth opportunities for our Power-SOI products,*** *given the use of gallium nitride in the design of power transistors.*
2. **Strengthening of the partnership with Simgui**
   Signature of **3 new agreements** on January 17, 2019, with retroactive effect on December 27, 2018 and **for a duration of 6 years.**
   The aim is ***to double the production capacities of 200-mm SOI wafers from 180,000 to 360,000 wafers per year on Simgui's industrial site*** in Shanghai, ***in order*** to better meet the growth in global demand in RF-SOI products for smartphones as well as Power-SOI products.
3. **Continued withdrawal from solar businesses**
   Signature of a sale agreement on May 7, 2019, after the closing date of the 2018-2019 fiscal year, to **sell our 20% stake in CPV Power Plant n° 1** (project company for the Touwsrivier solar power plant in South Africa). The shares were valued at €5,250 thousand in the financial statements as of March 31, 2019.
   To be valid, this sale must be authorized *by both the South African government and certain CPV Power Plant n° 1 creditors.*
   This sale ***will also involve the repayment of the loan granted to one of CPV Power Plant n° 1's shareholders.*** *This loan was valued at €11,313 thousand as of March 31, 2019.*

Finances

1. **Financing of our 5 year business plan**
   - **Issue of** bonds with the option to convert and/or exchange them for new and/or existing ordinary shares **(OCEANE) maturing on June 28, 2023**, launched on June 21, 2018 by way of a private placement with institutional investors, of a nominal amount of around **€150 million**.
   - **New bank credit lines** repayable no later than **March 2024** through straight-line amortization, signed with 3 banks worth a total **€35 million, without** covenants.
   - **New finance lease agreements** to finance our industrial equipments for **€25 million**.
2. **Restructuring of our assets held in Singapore**
   - Creation of a **new Singapore subsidiary called Soitec Asia Holding Pte Ltd.**, wholly owned by our Company, with the aim of being a **regional center in Asia**.
   - **Sale of equity receivables** held by our Company in our Singapore subsidiary, Soitec Microelectronics Singapore Pte Ltd., on March 29, 2019 to Soitec Asia Holding Pte Ltd.
   - Decision during the 2019-2020 fiscal year to **recapitalize** our subsidiary Soitec Microelectronics Singapore Pte Ltd. In order to reinforce its balance sheet.

Nomination Committee

1. **Election of the new Chairman of the Board of Directors**
   Éric Meurice elected Chairman of the Board on March 28, 2019.
   Having been chosen by our Board of Directors to replace Douglas Dunn (whose term of office expired after the Shareholders' General Meeting on July 26, 2018), in all his duties, Éric Meurice became Chairman of the Board.
   He ***replaced Thierry Sommelet*** *who had held this role for an extended 16-month interim period.*
   Éric Meurice retains his duties as Chairman of the Strategic Committee and member of the Nomination Committee.
   Thierry Sommelet remains a member of the Board, as well as the Strategic Committee, the Audit and Risks Committee, and the Restricted Strategic Matters Committee.
2. **Selection of 2 new Directors**
   Shuo Zhang and Françoise Chombar chosen by the Board as candidates **to respectively replace Monica Beltrametti and Nadine Foulon-Belkacémi.**
   Their terms of office will expire at the close of the Shareholders' General Meeting convened on July 26, 2019.
   The Board has noted that ***Shuo Zhang and Françoise Chombar meet the independence criteria*** *set by the AFEP-MEDEF Code.*
   If Shuo Zhang is appointed, she will be selected ***as a member of the Audit and Risks Committee, the Compensation Committee and the Strategic Committee****.*
   The Board intends **to entrust her with a special assignment** *(details forthcoming) for which she would earn and receive* ***exceptional compensation.***
   On her side, Françoise Chombar would be chosen as a member of the ***Nomination Committee, the Strategic Committee and the Restricted Strategic Matters Committee.***
3. **Changes in Directors**
   - Acknowledgement of **the resignations of Nabeel Gareeb and Weidong (Leo) Ren**, on March 27, 2019 and May 7, 2019 respectively, following a restructuring of the NSIG Group.
   - **Co-options of Kai Seikku and Jeffrey Wang to** replace the two resigning Directors, with effect on May 6 and May 7, 2019 respectively.
     The ***ratification*** *of their co-options and their* ***reappointments*** *will be* ***proposed to the Shareholders' General Meeting*** *of* ***July 26, 2019.***

Compensation Committee

1. **Compensation of corporate officers**
   - **Revaluation of the fixed part** of the compensation of our Chief Executive Officer, **Paul Boudre, set at a gross amount of €550,000 from January 1, 2019.**
   - Setting up of **a key-person insurance policy** for Paul Boudre, covering his beneficiaries in the event of **death or invalidity**, through the payment of a **capital of €1.5 million**.
   - Setting of the **new rules for the allocation of Directors' fees**, following the adoption by the Shareholders' General Meeting of July 26, 2018 of the increase in the **available budget to €720,000 effective on April 1, 2018**.
2. **Share allocation plans**
   - Setting up of a **third free ordinary shares allocation plan for all Group employees**.
     Also known as the "Share Plan for All No. 3" or "PAT No. 3 - ***Sustain growth"****, it aims to motivate* ***all Group employees*** *and enable them to* ***share in our growth.***
     Subject to ***conditions of continued employment and performance****, the ordinary shares to which it may give the rights after the 3 year vesting period could represent* ***up to 1.1% of our share capital.***
   - **Project** to set up a **long-term co-investment program** for the benefit of certain of our Group's employees and corporate officers.
     Subject to ***conditions of continued employment and performance****,* this plan would aim **to allocate a certain number of free preference shares** (known as "PS 2"), **subject to the prior subscription of a certain number of PS 2**. *The paid or free PS 2 would be* ***convertible into ordinary shares at the end of the plan, which would have a total duration of 3 years.***
     This co-investment plan will be subject to 3 resolutions submitted to ***the Shareholders' General Meeting*** *of* ***July 26, 2019****, with the purpose of:*
     - *deciding the creation of the new category of preference shares known as PS 2,*
     - *authorizing our Board of Directors to carry out the free allocation of PS 2, and*
     - *delegating the authority to it to decide to launch a capital increase through the issue of PS 2, reserved for plan beneficiaries.*

4.1.2.11 Assessment of our Board of Directors

Assessment method

In accordance with the recommendations of paragraphs 6.2 and 9 of the AFEP-MEDEF Code, the Board of Directors performs a yearly self-assessment of its composition, organization and functioning, as well as those of its Committees.

The assessment may be conducted by the Board on its own or through an external consultant.

The aim is to provide an appraisal of the preparation and quality of the work completed during the past fiscal year. Our Board questions its ability to meet the expectations of our shareholders that have authorized it to govern our Company. When the assessment is done without using an external consultant, it is conducted on the basis of a questionnaire prepared by the Nomination Committee that each of the Directors completes after the end of the fiscal year.

This document includes a first section listing a series of questions to:

- take stock of the functioning modalities of our Board;
- check that the important questions have been correctly prepared and debated; and
- assess the effective contribution of each of our Directors.

At the end of this list of questions, our Directors may, if they so wish, express themselves freely on any matter relating to the Board of Directors and its Committees. They may also discuss them individually with the Chairwoman of the Nomination Committee and the Chairman of the Board of Directors.

The second part of the questionnaire concerns the question of independence. Each of our Directors is invited to qualify him/herself as independent or not, in view of the AFEP-MEDEF Code criteria, his/her own situation and any specific circumstances. He/she does the same analysis for each of his/her peers, and justifies his/her conclusions.

Once the self-assessment questionnaires have been filled in, the Chairwoman of the Nomination Committee compiles the obtained answers and makes them anonymous in the summary documents. They are made available to the members of the Nomination Committee who then examine the self-assessment results.

This process ends with a presentation to the Board of Directors, who approves the conclusions. Indicated in the minutes of its meeting, the results are brought to our Shareholders' attention annually within the Registration Document for the concerned fiscal year.

Nomination Committee's analysis and Board of Directors' conclusions in respect of the 2018-2019 fiscal year

Given the arrival of new members within our Board of Directors and the election of a new Chairman during the past fiscal year, it was decided not to carry out an external assessment at this stage. The Nomination Committee will judge the appropriate time for conducting this external assessment.

In respect of the 2018-2019 fiscal year, the self-assessment questionnaires were completed from April to May 2019.

The Nomination Committee examined the results obtained during its meeting of June 11, 2019.

The following day, it presented the summary of its work to the Board of Directors.

After discussions, our Directors retained the following conclusions:

- they were satisfied with the organization and functioning of our Board and its Committees, subject to the improvements indicated below;
- they noted the constant improvement to the group cohesion that they have created. The holding of a Board of Directors' meeting at our Singapore site enabled them to carry out discussions with our employees, and certain of their customers and partners in the Asia-Pacific region. They commended this initiative.

Amongst the opportunities for improvements identified, they noted:

- the continued desire for wider access to some of the Group's information documents, particularly with regard to preparatory documents for Strategic Committee meetings;
- the desire to reinforce the operational efficiency of the Board and its Committees, in particular by improving certain organizational aspects.

In order to improve the functioning of the Board and its Committees, a prospective agenda will from now on be communicated to all of our Directors on an annual basis. Designed to increase the efficiency of their work, it will include a detailed list of the themes that they will work on during the meetings that will take place during each fiscal year. This list will be continuously updated according to progress and any changes carried out.

Lastly, with respect to the independence of our Board of Directors, it noted that the rate was 33.33% compared to 25% previously. The detailed conclusions on this assessment of independence are presented in paragraph 4.1.2.9 of this Registration Document.

4.1.3 OUR BOARD OF DIRECTORS' COMMITTEES

Focus on our 5 Committees

Our Board of Directors is supported by the work of the Committees that it has set up.

Since November 29, 2017, there are 5 Committees.

The composition, organization, practices and tasks of each of the 5 Committees are set out in the internal regulation of the Board of Directors.

The Committees are tasked with providing in-depth thought and analysis to our Board of Directors before its discussions, and contributing to the decision-making process.

The Committees have no decision-making power. The opinions, proposals or recommendations that they submit to our Board of Directors are not binding in any way, and the Board of Directors remains the sole decision-making administrative body.

STRATEGIC COMMITTEE

Chairman:
ÉRIC MEURICE

	2018-2019 Attendance rate
Éric Meurice	100.00%
Monica Beltrametti	75.00%
Paul Boudre	100.00%
Laurence Delpy	100.00%
Christophe Gegout	100.00%
Kai Seikku	-
Thierry Sommelet	75.00%
Shuo Zhang (1)	-
Nabeel Gareeb (2)	33.33%

7 Members | 4 | 85.42% | 42.86%

AUDIT AND RISKS COMMITTEE

Chairman:
CHRISTOPHE GEGOUT

	2018-2019 Attendance rate
Christophe Gegout	100.00%
Monica Beltrametti	77.78%
Laurence Delpy	100.00%
Nadine Foulon-Belkacémi	55.56%
Thierry Sommelet	88.89%
Jeffrey Wang	-
Weidong (Leo) Ren (3)	88.89%

6 Members | 9 | 85.19% | 50.00%

NOMINATION COMMITTEE

Chairwoman:
LAURENCE DELPY

	2018-2019 Attendance rate
Laurence Delpy	100.00%
Monica Beltrametti	100.00%
Bpifrance Participations (represented by Sophie Paquin)	100.00%
CEA Investissement (represented by Guillemette Picard)	100.00%
Nadine Foulon-Belkacémi	80.00%
Éric Meurice	100.00%
Kai Seikku	-
Douglas Dunn (4)	100.00%
Weidong (Leo) Ren (3)	100.00%

7 Members | 5 | 97.50% | 57.14%

COMPENSATION COMMITTEE

Chairwoman :
NADINE FOULON-BELKACÉMI

	2018-2019 Attendance rate
Nadine Foulon-Belkacémi	100.00%
Monica Beltrametti	100.00%
Bpifrance Participations (represented by Sophie Paquin)	100.00%
CEA Investissement (represented by Guillemette Picard)	77.78%
Laurence Delpy	100.00%
Kai Seikku	-
Shuo Zhang (1)	-
Weidong (Leo) Ren (3)	100.00%

6 Members | 9 | 96.30% | 50.00%

RESTRICTED STRATEGIC MATTERS COMMITTEE

CONVENED ON AN EXCEPTIONAL BASIS

	2018-2019 Attendance rate
Laurence Delpy	100.00%
Nadine Foulon-Belkacémi	100.00%
Christophe Gegout	100.00%
Éric Meurice	-
Thierry Sommelet	100.00%

5 Members | 1 | 100.00% | 60.00%

Number of meetings | Attendance rate | Independence rate

(1) Whose appointment is proposed to the Shareholders' General Meeting of July 26, 2019.
(2) Whose term of office expired March 27, 2019, following his resignation.
(3) Whose term of office expired May 7, 2019, following his resignation.
(4) Whose term of office expired at the end of its term on July 26, 2018.

4.1.3.1 Main principles for the composition and functioning of the Committees

Composition

Members of the Committees must be directors and are appointed individually by our Board of Directors.

A permanent representative of a legal entity who is a Director may also be appointed to a Committee, provided that the replacement of this permanent representative results in immediate loss of status as a Committee member.

One person may be a member of several Committees.

The Chairperson of each Committee is appointed by of the Committee itself, among its members.

The term of office of a member of one or more Committee(s) shall coincide with his or her term of office as a Director. Furthermore, these terms of office can be renewed.

Additional participants

- For the Audit and Risks Committee, the following people attend meetings and contribute to discussions in addition to Committee members:
  - our Chief Financial Officer, alone or accompanied by one or several members of his team, and
  - when their presence is required or useful given the agenda, our statutory auditors.
- Regarding the Compensation Committee and the Nomination Committee, none of whose members can be an executive corporate officer, our Chief Executive Officer may be invited to meetings of these two Committees.

  Within the Compensation Committee, the Chief Executive Officer cannot take part in deliberations concerning his compensation.

  Within the Nomination Committee, the Chief Executive Officer is a party to the work involved in the selection or appointment of new Directors.

  It is usual for our General Counsel and our Head of Human Resources to attend and contribute to the meetings of these two Committees. Depending on the subjects on the agenda, our Chief Financial Officer may also contribute to these two Committees.
- Our Chief Executive Officer must be invited to each meeting of the Strategic Committee (if he is not already a member of it). In reality, since the start of his term as Chief Executive Officer, Paul Boudre has always been appointed as a full member of this Committee.

  It is usual for several members of our Executive Committee to attend and contribute to the discussions during meetings of the Strategic Committee.
- As Chief Executive Officer, Paul Boudre is a permanent guest for all meetings of the Restricted Strategic Matters Committee.
- The Secretary of our Board of Directors attends and contributes to preparing and holding all the meetings of the 5 Committees.
- More generally, any person that each of the 5 Committees wishes to hear in order to carry out their missions may be called upon to take part in the meetings.

Functioning

Each Committee can meet at any time upon the request of the Chairperson, of a majority of its members, of the Chairman of the Board of Directors, or of one-third of the Directors.

Each Committee's meetings are convened (*via* any means) by the Committee Chairperson or by 2 Committee members.

Committees can meet in person, *via* videoconference, or through other means of telecommunication that make it possible for their members to be identified.

For the Committee's meetings to be quorate, at least half of Committee members must be present or deemed to be present. A Committee member can be represented only by another member of the same Committee.

The Committees' working language is English.

At the end of each of its meetings, conclusions, proposals, opinions and/or recommendations of each of the 5 Committees are recorded in a report written in English that is communicated to the members of the Committee in question.

Each Committee Chairperson (or member of the Committee appointed for that purpose) reports on the Committee's work to the Board of Directors along with the Committee's opinions and/or recommendations.

This enables our Board of Directors to discuss and deliberate with appropriate information on those topics.

4.1.3.2 The Strategic Committee

Tasks

The Strategic Committee's tasks are as follows:

- to assist our Board of Directors in determining and regularly reviewing the Company's and Group's strategy;
- and to this end, analyze the Group's situation and growth areas in order to submit proposals to the Board of Directors on our Group's strategy; and
- through its analysis and discussions, clarify our Group's strategic objectives and assess the justifications and consequences of the most important strategic decisions submitted to our Board of Directors.

Activity during the 2018-2019 fiscal year

In accordance with the internal regulation of our Board of Directors, the Strategic Committee meets at least twice a year.

During the 2018-2019 fiscal year, it met 4 times with an attendance rate of 85.42%.

The issues on the agenda included:

- the acquisition of the assets and certain liabilities of Dolphin Intégration, during summer 2018 as part of a business combination within a new subsidiary called Dolphin Design, 60% owned by our Company and 40% by MBDA, for a total amount of €200 thousand;
- the acquisition of 100% of the shares of EpiGaN, completed on May 13, 2019, after the closing date of the 2018-2019 fiscal year, for €30 million in cash, with an earn-out based on the achievement of targets;
- the strengthening of our partnership with Simgui through the signature of 3 new agreements on January 17, 2019, with retroactive effect on December 27, 2018 and for a duration of 6 years;
- and more generally, all subjects related to our Group's business and its strategy for the next 5 years.

ÉRIC MEURICE
Chairman of the Board of Directors and the Strategic Committee

"Right throughout the past fiscal year, the Strategic Committee has provided its support to the management team in the determination of its strategic approach. Soitec has in particular developed through the completion of two promising external growth transactions, and the reinforcement of the relationship with its Chinese partner Simgui".

4.1.3.3 The Audit and Risks Committee

Tasks

The Audit and Risks Committee helps our Board of Directors to ensure the accuracy and fairness of our statutory and consolidated financial statements and the quality of the information provided.

In accordance with Article L. 823-19 of the French Commercial Code and the AFEP-MEDEF Code, the Board of Directors entrusts it with the task:

- concerning the financial statements and financial information:
  - to monitor the quality of the procedures for preparing the financial information and ensure that their implementation is followed-up,
  - to examine the annual financial statements before they are approved by our Board of Directors,
  - to ensure the relevance of accounting methods used and examine changes in accounting principles and rules used in preparing the financial statements, and preventing any breach of these rules,
  - to monitor any changes in the scope of consolidated companies and receive, if any, all necessary explanations,
  - to examine the intermediate and preliminary results as well as the accompanying comments before publication,
  - to ensure the quality of procedures in place, ensuring compliance with stock market regulations,
  - to be informed of the financial strategy and the terms and conditions of our Group's main financial transactions;
- concerning our Company's external audit:
  - to regularly communicate with our statutory auditors,
  - to steer our statutory auditors' selection procedure and submit the results of this selection to the Board of Directors,
  - each year, to assess the amount of the statutory auditors' compensation for conducting statutory audits,
  - to ensure the independence of our statutory auditors,
  - to monitor the application of the rules governing use of our statutory auditors for non-audit services (also known in French under the acronym "SACC"),
  - each year, to examine with the statutory auditors their audit schedules, conclusions and recommendations, and any follow-up;
- concerning our Company's internal control:
  - to assess our Group's internal control systems,
  - to examine, with those responsible for internal control, their action plans and conclusions of such action plans, recommendations and follow-up,
  - to examine and formulate recommendations concerning annual capital expenditure,
  - to examine and formulate recommendations concerning exceptional capital expenditure that is not included in the annual capital expenditure;
- concerning risks:
  - to regularly review our Company's main financial risks and material off-balance-sheet commitments,
  - to give its opinion on the organization of internal control and be informed of this department's work schedule, and
  - to examine the relevance of the risk analysis and monitoring procedures, by ensuring that an identification, quantification and prevention process for the main risks generated by our Group's activities is in place. In this respect, it examines our risk mapping several times each year.

Focus on our Audit and Risks Committee charter

On November 29, 2017, our Board of Directors approved a charter for the Audit and Risks Committee.

Since that date, it can be found in the appendix to the Board of Directors' internal regulation.

In the absence of any legally-imposed procedure, the Audit and Risks Committee has set up a procedure allowing it to meet its obligations pursuant to Article L. 822-11-2 of the French Commercial Code on the approval of non-audit services ("SACC") that may be provided by our statutory auditors or their networks.

Under the terms of said charter, each year, the Audit and Risks Committee reviews and pre-approves the list of authorized SACC and the list of prohibited services. If needed, these lists may be reviewed and amended by the Audit and Risks Committee at any time.

The duration of any pre-approval is 12 months, unless decided otherwise by the Audit and Risks Committee.

The appendices of the said charter present:

- account certification services that do not require the prior approval of the Audit and Risks Committee other than that required for the audit fees budget;
- the legally-required SACC, whose implementation is imposed by the law or a regulation, which do not require the prior approval of the Audit and Risks Committee;
- the SACC that are not prohibited, as they benefit from prior approval according to the type of task. This prior approval according to type is adapted for services usually provided by our statutory auditors, for which an independence analysis has already been carried out, and which do not present risks for the independence of our statutory auditors;
- the non-prohibited SACC, for which individual approval is required; and
- those tasks which our statutory auditors and their network are prohibited from carrying out.

Activity during the 2018-2019 fiscal year

In accordance with the internal regulation of our Board of Directors, the Audit and Risks Committee meets at least 4 times per year, and in particular before the closing date of the annual and half-yearly financial statements.

During the 2018-2019 fiscal year, the Audit and Risks Committee met 9 times, with an attendance rate of 85.19%.

For the purposes of carrying out its mission, the Committee had the opportunity for regular, independent discussions with our statutory auditors.

At each closing of the annual and half-yearly statutory and consolidated financial statements, the Audit and Risks Committee verified the closing process and read our statutory auditors' report.

The Committee also examined the off-balance-sheet commitments, the accounting options retained for establishing provisions, as well as our risk mapping.

It also reviewed the terms of each of the financial press releases and financial reports published during the 2018-2019 fiscal year, as well as the financial, accounting and economic items submitted for approval to the last Shareholders' General Meeting of July 26, 2018.

The Committee also examined the report by our Chairman of the Board of Directors on corporate governance drafted for the fiscal year ended March 31, 2018, in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

The Committee also took part in the continued work on our Group's compliance with the provisions of law no. 2016-1691 of December 9, 2016 (the "Sapin II" law). Thus, it enabled the Board to ensure that a system to prevent and detect corruption and influence peddling has been set up within our Group. Within this context, our Code of Good Conduct was updated in October 2018.

In addition to its recurrent annual work, the Audit and Risks Committee worked on the following main topics during the fiscal year ended March 31, 2019:

- the financing for our 5-year business plan including:
  - the issue of bonds with the option to convert and/or exchange them for new and/or existing ordinary shares (OCEANE) maturing on June 28, 2023, launched on June 21, 2018 as a private placement with institutional investors, for a nominal amount of around €150 million,
  - the setting up of new bank credit lines repayable no later than March 2024 through straight-line amortization, signed with 3 banks worth a total €35 million, without covenants, and
  - the signing of new finance lease agreements to finance our industrial equipments, for €25 million;
- the restructuring of our assets held in Singapore, involving:
  - the creation of a new Singapore subsidiary called Soitec Asia Holding Pte Ltd., wholly-owned by our Company, with the aim of being a regional center in Asia,
  - the sale of equity receivables held by our Company in our Singapore subsidiary, Soitec Microelectronics Singapore Pte Ltd. on March 29, 2019 to Soitec Asia Holding Pte Ltd., and
  - the decision during the 2019-2020 fiscal year to recapitalize our subsidiary Soitec Microelectronics Singapore Pte Ltd. in order to strengthen its balance sheet.

CHRISTOPHE GEGOUT
Chairman of the Audit and Risks Committee

"Soitec's strong growth is continuing: the Audit and Risks Committee has focused on control tools monitoring and on an accurate approach to its financial communication in this period of expansion which will be on-going. The Committee has also examined the solidity and optimization of the growth financing. Less than one year after having successfully completed the early redemption of its OCEANE 2018 convertible bonds with a 98.74% rate of conversion into shares, Soitec raised €150 million from institutional investors in June 2018 via the issuance of its OCEANE 2023 convertible bonds. These bonds are accompanied by a 37.5% premium and a zero-coupon."

4.1.3.4 The Nomination Committee

Tasks

The Nomination Committee is charged by our Board of Directors with:

- implementing a procedure to select our future independent Directors;
- formulating proposals on the selection of our new Directors, their co-option, appointment or reappointment;
- preparing, nearing the expiry of their terms of office, recommendations for the succession of our corporate officers; it must also prepare a replacement plan in the event of unforeseeable vacancy; and
- being informed prior to the arrival or departure of any member of our Executive Committee.

Activity during the 2018-2019 fiscal year

LAURENCE DELPY
Chairwoman of the Nomination Committee

"The Nomination Committee has focused in particular on the future composition of the Board in order to plan ahead for the expiry of all 12 terms of office between July 2018 and July 2019. Completed in line with our diversity policy, the selection of 3 new Directors, including the current Chairman of the Board and 2 independent Directors, has been at the very heart of its preoccupations."

In accordance with the internal regulation of our Board of Directors, the Nomination Committee meets at least once a year, prior to the approval of the agenda of the Shareholders' General Meeting, to examine the draft resolutions that will be submitted to our shareholders for approval and which concern the terms of office of the members of our Board of Directors.

Between April 1, 2018 and March 31, 2019, the Nomination Committee met 5 times, with an attendance rate of 97.50%.

In addition to its recurrent annual work, the Nomination Committee worked on the following main topics:

- the selection of Éric Meurice as candidate to succeed Douglas Dunn as Senior Independent Director and Chairman of the Strategic Committee, after the expiry of Douglas Dunn's term of office which took place at the close of the Shareholders' General Meeting of July 26, 2018, and his subsequent election as the new Chairman of our Board of Directors;
- the reappointment of our Directors, whose terms expired at the close of the above Shareholders' General Meeting, or whose terms will expire at the close of the Shareholders' General Meeting convened on July 26, 2019;
- the co-option as Directors of Kai Seikku and Jeffrey Wang to replace Nabeel Gareeb and Weidong (Leo) Ren, who resigned after the reorganization of the NSIG Group; and
- the selection of Shuo Zhang and Françoise Chombar as independent Directors, to respectively replace Monica Beltrametti and Nadine Foulon-Belkacémi whose terms will expire at the close of the next Shareholders' General Meeting.

4.1.3.5 The Compensation Committee

Tasks

The Compensation Committee is charged by our Board of Directors to make recommendations concerning:

- the compensation of the Chairman of our Board of Directors, our Chief Executive Officer and our Directors; and
- the allocations of securities giving access to the share capital of our Company, for free and/or against payment, for the benefit of our corporate officers and/or employees of our Group.

Activity during the 2018-2019 fiscal year

In accordance with the Internal Regulations of our Board of Directors, the Compensation Committee meets at least once a year, prior to the approval of the agenda of the Shareholders' General Meeting, to examine the draft resolutions that will be submitted to our shareholders for approval and which concern the setting of the compensation of the Chairman of our Board of Directors and our Chief Executive Officer (ex-ante and ex-post say on pay).

During the fiscal year ended March 31, 2019, the Compensation Committee met 9 times with an attendance rate of 96.30%.

In addition to its recurrent annual work, the Compensation Committee worked on the following main topics:

- the setting up of a third free ordinary share allocation plan for the benefit of our Group's employees intended to motivate them and allow them to share our growth; and
- the project to implement a long-term co-investment program for the benefit of certain employees and corporate officers of our Group, which will be addressed in resolutions no. 33 to 35 submitted to the next Shareholders' General Meeting convened on July 26, 2019.

NADINE FOULON-BELKACÉMI
Chairwoman of the Compensation Committee

"After having defined the implementation of 2 plans for the allocation of free shares in favor of the Group's employees in France in early 2018, the Compensation Committee has continued to supporting the management team's wish to share the turnaround and strong growth with all employees. A 3rd plan was therefore put in place in July 2018 on a worldwide scale, and a long-term co-investment program has been drawn up over the course of the fiscal year for presentation to the Shareholders' General Meeting of next July."

4.1.3.6 The Restricted Strategic Matters Committee

Tasks

The Restricted Strategic Matters Committee's responsibility is to report on any planned transfer (whether by sale, license or by any other means) or any other joint venture project involving Smart Cut™, and to issue recommendations to the Board of Directors accordingly.

Activity during the 2018-2019 fiscal year

Since April 1, 2018, the Restricted Strategic Matters Committee only met once, with an attendance rate of 100%.

4.1.4 CODE OF CORPORATE GOVERNANCE

Our Company has adopted the AFEP-MEDEF Code of corporate governance for publicly listed companies, as amended in June 2018 (the "**AFEP-MEDEF Code**") as its corporate governance reference framework.

This Code may be consulted at the following site www.afep.com, using this link:

https://www.afep.com/en/publications-en/le-code-afep-medef-revise-de-2018/

As of June 12, 2019, the date this Registration Document was approved, the following recommendations of the AFEP-MEDEF Code were not applied by our Company:

Recommendation by AFEP-MEDEF	Company's position and justification
Recommendation relating to the proportion of independent Directors on the Board of Directors (paragraph 8.3): The proportion of independent directors should amount to half of the members of the Board of Directors in widely held companies without controlling shareholders.	After Éric Meurice, our Chairman, was not reappointed to the office he had held since April 2014 as a Director of NXP Semiconductors N.V, one of our main customers, the number of independent Directors on our Board rose to 4 out of a total of 12 members. Thus the share of our Directors who meet the independence criteria set out in paragraph 8 of the AFEP-MEDEF Code has increased from 25% to 33.33%. Bearing in mind that there is more to a well-composed Board of Directors than its share of independent members, our Company first and foremost seeks Directors of integrity who are honest, competent, active, regularly attending and engaged, qualities (as set out in paragraph 8.1 of the AFEP-MEDEF Code). That said, we are aware of the merits of a significant proportion of independent Directors, and our Company makes every effort to increase the proportion of independent Directors on its Board. To this end, since the beginning of the 2016-2017 fiscal year, it has focused its search for future Directors on candidates qualifying for independent status, while respecting the appropriate balance of its composition, notably in terms of skills and diversity, as well as the provisions relative to the composition of our Board of Directors set out in our Company's shareholders' agreement. Our Company thus proposes the appointment of Shuo Zhang and Françoise Chombar as a new independent Directors respectively to replace Monica Beltrametti and Nadine Foulon-Belkacémi, being themselves independent Directors and whose terms will expire at the close of the Shareholders' General Meeting of July 26, 2019. If these appointments are approved, the proportion of independent Directors on our Board would stay at 33.33%.
Recommendation relating to the meetings of the Board of Directors (paragraph 10.3): It is recommended that a meeting be set up each year without the executive corporate officers in attendance.	While no Board meetings were officially organized without the presence of our Chief Executive Officer in fiscal year 2018-2019, our non-executive Directors met among themselves on several occasions in the context of sessions of Board and Committee meetings.
Recommendation relating to term of office of Directors (paragraph 13.2): Terms are staggered in order to avoid all-at-once renewal of the Board and to ensure that the reappointment process operates smoothly.	The terms of 10 out of 12 directors will expire simultaneously at the close of the Shareholders' General Meeting of July 26, 2019. The expiry of these directorships coincides because of the following 3 events, which all occurred during the same fiscal year (2016-2017): • the need to appoint more women to our Board of Directors resulted in the appointment of 3 new women Directors on April 11, 2016; • the signature of our Company's shareholders' agreement with Bpifrance Participations, CEA Investissement and National Silicon Industry Group resulted in the appointment of 4 new Directors on May 2, 2016; • the shortening of our Directors' term of office from 4 to 3 years, which was approved on July 25, 2016, resulted in the end of the term of one Director and that person's renewal on the same date. The Nomination Committee is tasked with identifying lines of approach related to the changing composition of our Board of Directors and the introduction of a better process to stagger Directors' terms. Accordingly, next year some of our Directors may agree to: (i) resigning their office with effect immediately before the start of the Shareholders' General Meeting to be called in 2020 to cast a vote on the financial statements for the 2019-2020 fiscal year; and (ii) reapplying to be appointed as a Director at that Shareholders' General Meeting. To better balance out the number of terms of office expiring each year, this mechanism might be extended beyond 2020 and applied at subsequent annual Shareholders' General Meetings. Eventually this would make it possible to stagger terms evenly and avoid reappointing the members of our Board of Directors all at once.
Recommendation relating to the composition of the Audit Committee (paragraph 15.1): The proportion of independent directors on the Audit Committee must be at least 2/3.	With 3 directors out of 6 members satisfying the conditions of independence, the Audit and Risks Committee's independence ratio is 50%. The other 3 non-independent members of the Committee were appointed on the basis of their accounting and financial expertise, in accordance with the recommendation in paragraph 15.1 of the AFEP-MEDEF Code.

Recommendation by AFEP-MEDEF	Company's position and justification
Recommendation relative to the composition of the Compensation Committee (paragraph 17.1): The majority of Directors serving on the Nomination Committee must be independent.	Our independent Directors on the Compensation Committee do not constitute a majority but are equal in number to Directors who are not independent. With 3 independent directors out of a total of 6 members, their share is 50%. The Compensation Committee has a balanced composition that also fulfills the stipulations of the shareholders' agreement. Moreover is chaired by Nadine Foulon-Belkacemi who is an independent Director.
Recommendation relating to director ethics (paragraph 19): In the absence of legal provisions to the contrary, a Director must personally own shares, in accordance with the stipulations of the by-laws or internal regulation, and own a minimum number of shares that is significant with regard to Directors' fees.	Article 1 d) of our Board of Directors' internal regulation stipulates in particular that "*In accordance with Article 13 of the Company bylaws, Directors are not obliged to hold shares in the Company. However, in order to comply with paragraph 19 of the Corporate governance code, in the absence of legal provisions to the contrary, the Directors (whether they be natural persons or permanent representatives of legal entities) will ensure that they are shareholders of the Company in their personal capacity and have a minimum number of shares that is significant in relation to the directors' fees allocated. One hundred (100) registered shares are considered a significant number of shares. Directors are prohibited from transferring these shares during their term of office.*" Nevertheless, the legal and regulatory provisions relating to securities transactions carried out by the corporate officers of listed companies as well as those relating to the prevention of insider transactions make the purchase of shares by Directors a complex operation. Thus to date only 6 Directors out of 12 are shareholders of our Company.
Recommendation relating to Director ethics (paragraph 19): Directors regularly attend and participate in all meetings of the Board and meetings of any committees to which they may belong; they also attend Shareholders' General Meetings.	The Board of Directors met a total of 7 times in the 2018-2019 fiscal year with an attendance rate of 86.5%. There were 28 Committees meetings in total over the period with an attendance rate of almost 90%. The average attendance rate for all 35 Board and Committees meetings was thus 87.5%. Our Directors systematically make their best efforts to be able to participate either in person or via conference call in as many Board and Committee meetings as possible, or ensure they are represented if they cannot attend. Nevertheless, distance and time differences between where they live/work and our headquarters in France, as well as their other respective duties, sometimes make attendance difficult. Furthermore, the high number of Board and Committees meetings in the 2018-2019 fiscal year (7 Board meetings and 28 Committees meetings) made it more difficult for our Directors to attend every meeting to which they had been invited. Besides, in accordance with the rules of good governance set out in paragraph 19 of the AFEP-MEDEF Code and cited in our Board of Directors' internal regulation, in the event of a real or potential conflict of interest, the Director concerned must refrain from attending any discussions or taking part in any decisions on the matter at hand and has no access to documents relating to it. In such cases, the Director concerned is considered absent from the meeting held on the subject. With regards to the attendance of our Directors at Shareholders' General Meetings, 9 out of the 12 Board members attended the last Shareholders' General Meeting of July 26, 2018.
Recommendation relating to the termination of the employment contract upon appointment as corporate officer (paragraph 21.1): It is recommended that when an employee of the Company or a company within the Group becomes a corporate officer of the firm , his/her employment contract be terminated either through contractual termination or by resignation.	Our Board determined that in the case of our Chief Executive Officer Paul Boudre, his seniority at the time of appointment justified him retaining his employment contract; this contract was established prior to his taking up his duties as Chief Operating Officer and then Chief Executive Officer.
Recommendation relating to the obligation of corporate officers to own shares (paragraph 22): The Board of Directors sets a minimum number of shares that corporate officers must own in registered form up until the end of their duties.	Our Board of Directors has not set a minimum number of shares that our Chairman must hold in registered form until the end of his duties. However, our Board of Directors' internal regulation provides that all our Directors – and *a fortiori* our Chairman – must hold a significant number of our Company shares, namely 100, in registered form. With respect to our Chief Executive Officer, pursuant to Article L. 225-197-1 of the French Commercial Code, our Board of Directors decided that 10% of the ordinary shares that may be allocated to Paul Boudre should he fulfill the conditions set out in the free preferred shares allocation plan implemented by the Board of Directors on July 26, 2016 must be held in registered form until the end of his duties as Chief Executive Officer of our Company. Besides, Paul Boudre currently holds 9,264 Company shares, which are in majority deriving from free shares allocated in a context where our Board systematically required that 10% of vested shares be held and kept.
Recommendation relating to the conclusion of a non-competition agreement with corporate officers (paragraph 23.1): The purpose of the conclusion of a non-competition agreement is to restrict the freedom of a corporate officer to work for a competitor.	No non-competition agreement has been concluded with Paul Boudre since he has become a corporate officer of the Company. Nevertheless, his employment contract, which has not been terminated despite the existence of his corporate duties (see above), contains a non-competition clause.

4.1.5 CONFLICTS OF INTEREST WITHIN OUR ADMINISTRATIVE AND EXECUTIVE MANAGEMENT BODIES

4.1.5.1 Arrangement or agreement according to which a member of our administrative or management bodies has been selected to perform one of these duties

Information on our Company shareholders' agreement of March 7, 2016 between Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l. can be found in sections 4.1.2.4 and 4.1.2.5 of this Registration Document.

The agreement covers the composition of our Board of Directors as well as the identity of the Directors concerned.

4.1.5.2 Limited number of semiconductor firms in the market

Since November 29, 2017, our Board of Directors has been composed of 12 members.

Besides our Chief Executive Officer, our other 11 members were selected for their experience in the semiconductor industry or for their professional experience in other areas relevant to our Group's development.

The semiconductor industry is characterized by a small number of players. Our Group therefore has or is susceptible to have business dealings with Shin-Etsu Handotai, Global Foundries, Shanghai Simgui Technology Co. Ltd. and the French Alternative Energies and Atomic Energy Commission (CEA) at which some of our Directors – Satoshi Onishi, Douglas Dunn, Nabeel Gareeb, Weidong (Leo) Ren and Christophe Gegout – hold or have held positions.

Further details can be found in our Directors' biographies in section 4.1.2.3 of this Registration Document.

4.1.5.3 Independence

In accordance with the recommendation in paragraph 8.4 of the AFEP-MEDEF Code, our Board of Directors assesses and reviews the circumstances of each director on an annual basis, especially with regard to the independence criteria set out in the Code. In so doing, it draws on the work and recommendation of the Nomination Committee.

The Board's conclusions in this regard at its meeting of June 12, 2019 for the 2018-2019 fiscal year are presented in section 4.1.2.9 of this Registration Document.

4.1.5.4 Preventing conflicts of interest in general

In accordance with the provisions of our Board of Directors' internal regulation, our Directors must do their best efforts to avoid any situation that would cause a conflict of their moral or material interests with the interests of our Group.

Every Director is also obligated to notify our Board of Directors of any situation involving a direct, indirect or even potential conflict of interests.

In such cases, the Director concerned must refrain from attending any discussions or taking part in any decisions on the matter at hand and has no access to documents relating to it.

However, the Director thus excluded may state his/her views before leaving the discussions.

The internal regulation of our Board of Directors contains a strengthened confidentiality obligation applicable to the 6 Directors representing our 3 strategic investors, Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l.

The latter are prohibited from having access to documentation and taking part in the discussions of the Board of Directors or Committees concerning:

- decisions involving a situation of conflict of interest, even a potential conflict;
- sensitive information relating to Smart Cut™ technology which could present an interest for the third-party entities in which they may be an investor and/or represented within any governance body of the said third-party entities.

4.1.5.5 Related parties

For information on the main related-party transactions entered into in the fiscal years ended March 31, 2018 and March 31, 2019, see note 3.5.3 "Related-party disclosures" to the 2018-2019 consolidated financial statements in section 6.2.1.2 of this Registration Document.

4.1.5.6 Rules on regulated agreements

In accordance with Article L. 225-40 of the French Commercial Code, every Director must inform our Board of Directors immediately upon knowing of any agreement covered by Article L. 225-38 of the French Commercial Code.

In such cases, Directors must abstain from our Board of Directors' vote to authorize the signing of such an agreement.

The Chairman of our Board of Directors informs our statutory auditors about any agreements authorized and concluded and submits them to our Shareholders' General Meeting for approval. Our statutory auditors then present a special report on these agreements to our shareholders for their approval.

The Directors concerned may not take part in the vote on the resolution put to the Shareholders' General Meeting and their shares are not taken into account to calculate quorum and majority.

Pursuant to Article L. 225-40 of the French Commercial Code, regulated agreements concluded during the 2018-2019 fiscal year as well as those still in force are described in the statutory auditors' special report on regulated agreements and commitments, which can be found in section 8.4 of this Registration Document.

4.1.5.7 Related-party agreements between our corporate officers and/or shareholders with over 10% of voting rights and our subsidiaries

In accordance with Article L. 225-37-4 2° of the French Commercial Code, please note that during the fiscal year ended March 31, 2019, there were no agreements on non-current transactions or concluded under abnormal conditions, either directly or by way of an intermediary, between any of our corporate officers or shareholders with more than 10% of our voting rights and one of our subsidiaries.

As a reminder, certain regulated agreements concluded or renewed by our Company during the 2018-2019 fiscal year resulted in monetary flows to or from our subsidiaries. Their amounts are set out in note 3.5.3 "Related-party disclosures" of the appendix to the 2018-2019 consolidated financial statements in section 6.2.1.2 of this Registration Document.

4.1.5.8 Service agreement disclosures

There are no service agreements granting future benefits between the members of our administrative or management bodies and our Company or any of our subsidiaries.

4.1.6 ETHICS

4.1.6.1 Duty of our directors

Representing our shareholders

The internal regulation of our Board of Directors stipulates that the latter collectively represents all of our shareholders and must act, in all circumstances, in our Company's interest.

Our Directors, regardless of their mode of appointment or the functions that they may exercise elsewhere, must act as such with diligence.

Knowledge of their obligations by our Directors

Our Directors are required to acknowledge the general and specific obligations related to their functions. They must in particular know and comply with the applicable legal and regulatory provisions, as well as the rules specific to our Company resulting from our bylaws, internal regulations and Code of Good Conduct.

Our Directors must also strive to comply with the recommendations of the AFEP-MEDEF Code.

Involvement of our Directors

Under the terms of the Board's Internal Regulations, our Directors commit to give the necessary time and attention to their duties.

They commit to regularly attend and participate in all meetings of the Board of Directors and meetings of any Committees to which they belong.

They must also attend Shareholders' General Meetings.

The terms for setting and distributing Directors' fees adopted by our Board of Directors are stricter than the recommendations of the AFEP-MEDEF Code according to which the effective participation of Directors must account for a major share of their variable compensation. The total amount of Directors' fees allocated to our Directors in respect of the fiscal year ended March 31, 2019 was weighted by their respective attendance rates during the year under consideration.

Confidentiality commitment

In accordance with Article L. 225-37 of the French Commercial Code, our Directors, as well as any other natural persons invited to attend meetings of the Board and/or Committees, are bound to discretion concerning all confidential information which is identified as such by the Chairman of the meeting.

Beyond this simple legal discretion obligation, they are bound by a true confidentiality obligation with regard to the information, discussions and exchanges resulting from the meetings of our Board of Directors or its Committees.

In the case of a proven breach of confidentiality by one of our Directors or any other person that attends meetings of our Board of Directors and/or its Committees, the Chairman of the Board of Directors is responsible for considering the consequences, which may be legal, regarding this breach.

4.1.6.2 Multiple offices

Our Company applies the provisions of Article L. 225-21 of the French Commercial Code relating to the number of offices held.

Throughout the year ended March 31, 2019 and to date, no member of the Board of Directors has held more than 5 directorships in joint stock-corporations having their registered office in France.

The Company also complies with the recommendation in paragraph 18 of the AFEP-MEDEF Code, which requires that:

- "*An executive corporate officer shall not hold more than 2 other directorships in listed corporations, including foreign corporations, not affiliated with his or her group. He or she must also seek the opinion of the Board before accepting a new corporate office in a listed corporation.*"
- "*A director should not hold more than 4 other directorships in listed corporations, including foreign corporations, not affiliated with his or her group.*"

Throughout the year ended March 31, 2019 and to date, no member of our Board of Directors held more directorships than is recommended by the AFEP-MEDEF Code.

4.1.6.3 Limitations agreed to by the members of our administrative and management bodies with respect to their stakes in our Company's share capital

Number of shares owned by Company Directors

Pursuant to Article L. 225-25 of the French Commercial Code, Article 13 of our Company's bylaws does not require Directors to own at least one Soitec share.

However, our Board of Directors' internal regulation stipulates that our Directors must arrange to hold a significant number of Company shares, namely 100, in registered form. This is compliant with the recommendation in paragraph 19 of the AFEP-MEDEF Code.

Conditions concerning the retention period of free shares allocated to executive corporate officers

With respect to our Chief Executive Officer, pursuant to Article L. 225-197-1 of the French Commercial Code, our Board of Directors decided that 10% of the ordinary shares that may be allocated to Paul Boudre should he fulfill the conditions set out in the free preferred shares allocation plan implemented by the Board of Directors on July 26, 2016 must be held in registered form until the end of his duties as Chief Executive Officer of our Company.

Besides, Paul Boudre currently holds 9,264 Company shares, which are in majority deriving from free shares allocated in a context where our Board systematically required that 10% of vested shares be held and kept.

Standstill provision of our strategic investors

Our Company shareholders' agreement of March 7, 2016 between our strategic investors – Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l. – contains a standstill clause.

At the time, NSIG Sunrise S.à.r.l. undertook not to increase its share of equity or voting rights beyond 14.5% by means of purchasing existing shares or convertible bonds (OCEANE 2018). The restriction was applicable for a period of 3 years starting the day our Company increased its share capital with preferential subscription rights maintained on June 8, 2016 (the "Standstill Period").

The standstill clause was valid as long as none of our other shareholders crossed above this threshold, directly or indirectly, alone or in concert.

NSIG Sunrise S.à.r.l. was however free to subscribe for any increase in our share capital.

The Standstill Period having expired on June 7, 2019, should NSIG Sunrise S.à.r.l cross above the aforementioned 14.5% threshold at any time between that date and June 7, 2021, it will lose its corporate governance rights. As such, the commitment by our Company and our other two strategic investors to appoint NSIG Sunrise S.à.r.l. representatives to our governing bodies would become null and void.

Following the share disposals of June 28, 2017 (see below), each of our three strategic investors now owns 11.49% of the shares forming our capital.

More information on our Company's shareholding structure is presented in section 7.1 of this Registration Document.

Prohibition of transfers to a competitor of our Company by our strategic investors

Our 3 strategic investors have undertaken not to transfer, by any means whatsoever, any shares or securities issued by our Company to one of our competitors throughout the duration of our Company shareholders' agreement.

This ban also applies to convertible bonds issued by our Company, namely OCEANE 2018 outstanding until August 2017 and OCEANE 2023 currently outstanding.

Orderly transfer of shares binding on our strategic investors

Our Company shareholders' agreement provided for a 90-day lock-up period during which shares must be kept. This period followed the settlement of shares acquired under the capital increase with preferential subscription rights maintained of June 8, 2016.

Since the end of the lock-up period, any sale of shares held by each of our 3 strategic investors is subject to a requirement for orderly transfers.

Accordingly, on June 28, 2017 our 3 strategic investors each disposed of an equal number of 757,788 Company shares amounting to 2,273,364 shares or 7.5% of our share capital.

The transaction was carried out by way of an accelerated book building reserved for institutional investors.

Levels of share capital and voting rights held by our strategic investors

Under our Company shareholders' agreement, each of our 3 strategic investors has pledged to keep their share of our Company's voting rights at or below their stake in our share capital throughout the duration of the Standstill Period (see above).

4.1.6.4 Compliance with stock market regulations

Prevention of breaches and insider trading - Close periods

Pursuant to Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (called "MAR Regulation"), Article 4 i) of our Board of Directors' internal regulation prohibits our Directors and executive corporate officers from trading in our Company's shares during periods before releases of results and, in general, as long as they are privy to inside information.

Focus on Article 4 i) of our Board of Directors' internal regulations

Prohibited transactions are any transactions carried out, directly or indirectly, on Company shares, debt securities, derivative instruments or any other related financial instrument by directors and officers, for their own account or on behalf of a third party:

- during the 30-day period preceding the dates of publication of the Company's annual consolidated financial statements or, failing this, its annual statutory financial statements, as well as its interim financial statements (half-yearly and, where applicable, quarterly);
- during the period between the date when the Company becomes aware of inside information and the date this information is made public.

The obligation to abstain from trading for a certain period ("close period") applies when Directors are privy to confidential information, including data concerning the accounting and financial position of the Company.

The AMF therefore recommends that close periods applicable to directors be of at least 30 calendar days prior to the publication of the annual or half-yearly financial statements and at least 15 calendar days before the publication of quarterly information.

Directors who are subject to these close period restrictions are authorized to trade in Company securities only on the day following the publication of the information concerned, subject to compliance with the provisions of both the MAR Regulation and the French Monetary and Financial Code relating to insider trading.

Disclosure of securities transactions

Persons exercising executive responsibilities, including our corporate officers, are required to disclose to the AMF, by electronic means, within 3 working days after their completion, the acquisitions, disposals, subscriptions or exchanges of shares in our Company.

This disclosure obligation covers more generally all transactions carried out on their own behalf in shares of our Company or debt securities issued by it, or derivative instruments, as well as transactions conducted in related financial instruments.

In accordance with Article 223-23 of the AMF's General Regulations, only transactions whose cumulative amount exceeds €20,000 per current calendar year are subject to such a declaration.

4.1.6.5 Applicable sanctions against corporate officers

To our Company's knowledge, none of our corporate officers has been convicted of fraud or been associated with a bankruptcy, sequestration or liquidation in the past 5 years.

Furthermore, none of our corporate officers has been formally incriminated or been subject to an official public sanction by a statutory or regulatory authority or by a professional body.

Likewise, none of our corporate officers has been barred by a court from acting as a member of the administrative, management or supervisory body of an issuer or from being part of the management or conducting of an issuer's business.

4.2 COMPENSATION AND BENEFITS

4.2.1 COMPENSATION FOR OUR EXECUTIVE CORPORATE OFFICERS FOR THE 2018-2019 FISCAL YEAR

Rules applicable to the compensation policy of our executive corporate officers

Application of AFEP-MEDEF Code principles

At its meeting of December 8, 2008, our Board of Directors formally adopted the AFEP-MEDEF recommendations published on October 6, 2008, on the compensation of executive corporate officers of companies whose shares are traded on a regulated market.

Since then, our Board of Directors has determined the compensation of executive corporate officers in accordance with the principles stated in the AFEP-MEDEF Code, particularly in its paragraph 24.

In doing this, it builds upon the Compensation Committee's proposals.

When our corporate officers are members of the Board of Directors, they do not participate in discussions on their own compensation and abstain from voting on these topics.

***Ex-ante* say-on-pay** (Article L. 225-37-2 of the French Commercial Code)

Since the 2017-2018 fiscal year, the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of total compensation and benefits of all kinds that may be allocated to our executive corporate officers for the performance of their duties have been submitted to the Shareholders' General Meeting at least once a year for approval.

***Ex-post* say-on-pay** (Article L. 225-100 of the French Commercial Code)

Since the 2017-2018 fiscal year, the Shareholders' General Meeting has been ruling on the fixed, variable and exceptional components of total compensation and the benefits of any kind allocated or paid to each of the executive corporate officers for that fiscal year, in separate resolutions.

Variable and exceptional compensation allocated to each of the executive corporate officers for the past fiscal year cannot be paid until after it has been approved by the Shareholders' General Meeting.

4.2.1.1 Compensation of Paul Boudre, our Chief Executive Officer, the only executive corporate officer

Framework applicable to the fiscal year ended March 31, 2019 (*ex-ante* say-on-pay of July 26, 2018)

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components making up the total compensation and benefits of any kind attributable to Paul Boudre as Chief Executive Officer during the 2018-2019 fiscal year were subject to resolution 8 submitted for approval to the Shareholders' General Meeting held on July 26, 2018 (*ex-ante* say on pay).

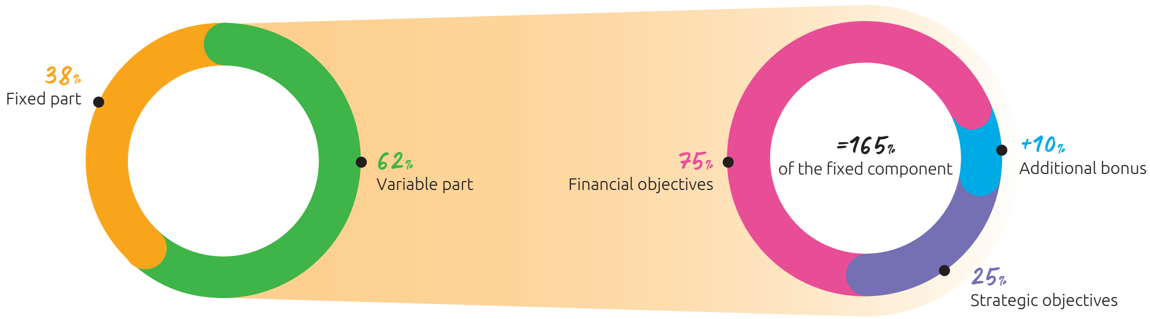
These principles and criteria were approved beforehand by our Board of Directors at its meeting of June 13, 2018 on the recommendation of the Compensation Committee at its meetings of March 27 and June 12, 2018.

This resolution 8 had been adopted at 66.67%, and thus Paul Boudre's compensation policy for the 2018-2019 fiscal year was approved by shareholders.

Summary of the components of compensation of Paul Boudre for the fiscal year ended on March 31, 2019

His 2018-2019 compensation comprises the following items:

- an annual fixed compensation:
  - initially set at €450,000 gross, applicable from April 1, 2018 to December 31, 2018,
  - then revalued to €550,000 gross, from January 1, 2019,
  - paid in 12 monthly installments during the course of the fiscal year,
  - representing a total amount of €475,000 gross;
- an annual variable compensation:
  - based on various objectives,
  - to be granted after fiscal year-end and to be paid only after the approval of the Shareholders' General Meeting of July 26, 2019,
  - representing 165% of the fixed part, *i.e.* a total amount of €783,748 gross.



Remarks on the annual fixed compensation of Paul Boudre for the fiscal year ended on March 31, 2019

At its meeting of June 13, 2018, on recommendation of the Compensation Committee which met the day before, our Board of Directors had expressed its intention to modify Paul Boudre's compensation, whose annual fixed part then amounted to €450,000 gross.

Indeed it had not been reviewed since 2010. Yet, since then, our Group had experienced significant changes in both business and results.

In this regard, our Board of Directors instructed the Compensation Committee to make a recommendation to this end, to take into account the gap seen against market practices for similar companies.

Our Directors had already noted that in the event of a reassessment of the fixed part of Paul Boudre's compensation, this would be consistent with the principles set out in the AFEP-MEDEF Code, since it would occur a relatively long time after his last increase in fixed compensation. Our Board of Directors was informed that the amount of Paul Boudre's new compensation, as well as the reasons for it, would be made public.

Thus, on July 26, 2018, a press release firstly announced that our Board of Directors had unanimously decided to set the fixed part of the annual compensation of Paul Boudre at €550,000 gross, from January 1, 2019.

The public was also informed of the fact that our Board of Directors had decided to set up a key-person insurance policy on Paul Boudre, covering his beneficiaries in the event of death or invalidity, through the payment of a capital amount of €1.5 million. It was stipulated that this key-person insurance would be backed by the one benefiting our Company under the same conditions. Lastly, it was indicated that the key-person insurance premium corresponding to the coverage of Paul Boudre's beneficiaries would be treated as a benefit in kind granted to him as part of his compensation policy for the 2018-2019 fiscal year.

Remarks on the annual variable compensation of Paul Boudre for the fiscal year ended on March 31, 2019

During its meeting of March 28, 2019, our Board of Directors decided that the variable part of Paul Boudre's compensation for the 2018-2019 fiscal year, could range from 0% to 165% of the fixed part.

Achievement of the target values of the objectives set by our Board of Directors should entitle him to a variable part amounting to 100% of the fixed part. As in the previous two fiscal years 2016-2017 and 2017-2018, the achievement of budgetary commitments should account for 90% of the target financial criteria.

Exceeding target values of the objectives could be taken into account for up to 150%.

Finally, Paul Boudre's variable compensation could be increased by 10% if an additional strategic objective was reached, whichcould bring the variable part of his compensation to 165% of the fixed part.

Type of objective and description	Weight
I. FINANCIAL OBJECTIVES	75%
1. ***Level of revenue*** *(in € million)*	25%
2. ***Level of consolidated EBITDA*** *(in absolute value in € million)*	25%
3. ***Level of consolidated cash*** *(in € million)*	25%
II. STRATEGIC OBJECTIVES	25%
4 contributions identified as our Group's main growth drivers including: • *the Chief Executive Officer's succession plan;* • *a first customer qualification in 300 mm RF-SOI with epitaxy carried out internally;* • *executing the FY19 financing plan to support the business plan;* • *a first customer qualification in 300 mm produced by the Pasir Ris plant in Singapore.*	*1 out of 4 = 0% achievement* *2 out of 4 = 75% achievement* *3 out of 4 = 100% achievement* *4 out of 4 = 150% achievement*
III. ADDITIONAL STRATEGIC OBJECTIVE	INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION

At its meeting of June 12, 2019, in accordance with the recommendation of the Compensation Committee meeting the previous day, our Board of Directors set for the first time at its maximum the variable part of Paul Boudre's compensation for the 2018-2019 fiscal year.

It thus stands at 165% of the fixed part and amounts to €783,748 gross.

Remarks on the other compensation items of Paul Boudre for the fiscal year ended on March 31, 2019

Benefits in kind

Our Chief Executive Officer had benefits in kind consisting of a company car and a voluntary insurance policy against employment loss, for a total amount of €24,720 during the 2018-2019 fiscal year.

He also took benefit of supplementary retirement schemes similar to those in place for the previous fiscal year, as described in paragraph 4.2.6 of this Registration Document.

No new allocation of securities giving access, immediately or in the future, to our Company's share capital

No new allocation of securities giving access, immediately or in the future, to the Company's share capital was granted to Paul Boudre during the 2018-2019 fiscal year.

We remind you that, for the previous fiscal year ended on March 31, 2017, a proportion of a free preferred shares allocation plan giving access to our Company's share capital (also known by the acronym "MIP"), with presence and performance conditions, had been awarded to him by the Board of Directors at its meeting of July 26, 2016, in the form of conditional rights to preferred shares.

In this context, during the fiscal year ended March 31, 2018, Paul Boudre vested the 44,947 preferred shares resulting from his conditional rights. Indeed he satisfied the presence condition and tenure as Chief Executive Officer, applicable to him pursuant to the plan's rules, on the definitive allocation date, *i.e.* on July 26, 2017.

Under certain conditions of presence and performance, his 44,947 preferred shares will be converted into ordinary shares once the end of his holding period will occur, *i.e.* after July 26, 2019.

The conversion ratio will be determined by our Board of Directors based on the following factors:

(i) 50% based on the achievement of objectives on the basis of the average of our Group's consolidated EBITDA levels (as derived from our consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019; and

(ii) 50% based on the achievement of the objectives on the basis of the weighted average of the volumes of the stock market prices of our Company's ordinary share during the 30 trading days following the date of publication of our Group's consolidated financial statements for the fiscal year ended on March 31, 2019.

These objectives were determined by the Combined Ordinary and Extraordinary Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016.

No other compensation item

We specify that Paul Boudre's duties as a Director did not give right to any other compensation than that received as Chief Executive Officer.

Lastly, Paul Boudre received no additional compensation or Directors' fees from the companies controlled by our Company.

Ex-post say-on-pay submitted for our Shareholders' approval on July 26, 2019 (17th resolution)

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, our Board of Directors will propose that our shareholders, during their General Meeting convened for July 26, 2019, approve the fixed, variable and exceptional parts making up the total compensation and benefits of any kind paid or allocated to Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2019 (*ex-post* say on pay), as described above.

This proposal is subject to resolution 17, the content of which is reproduced in paragraph 8.2 of this Registration Document, and commented in our Board of Directors' report at the Shareholders' General Meeting shown in paragraph 8.3.

Commitments of all kinds undertaken by our Company for Paul Boudre in respect of commencement, termination or change in his executive corporate officer functions

In respect of his salaried functions under his employment contract (suspended since his appointment as Chief Operating Officer) and in accordance with the applicable collective provisions, Paul Boudre is bound by a non-compete clause for one year after his employment contract is terminated. This one-year period may be renewed once.

In the event that this non-compete clause is activated, Paul Boudre shall be paid financial compensation corresponding to 60% of his gross compensation during the non-compete period.

Our Company has the option to release Paul Boudre from this non-compete provision, with the agreement of the latter.

Standardized summary tables (AMF position recommendation no. 2009-16)

In terms of the 11 tables referenced in AMF position-recommendation no. 2009-16 as updated on April 13, 2015, only those that are applicable to Paul Boudre are included below.

› Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer *(in euros)*

Paul Boudre **Chief Executive Officer** *since January 16, 2015* **Chairman of the Board of Directors** *from September 11, 2015 to July 26, 2017* (1)	Fiscal year 2017-2018	Fiscal year 2018-2019
Compensation due for the fiscal year (details in table 2 below)	1,030,513	1,283,467
Valuation of stock options allocated during the fiscal year	N/A	N/A
Accounting valuation of performance shares allocated during the fiscal year (2)	1,870,999	N/A
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**2,901,512**	**1,283,467**

(1) *As stated above, for taking office as Chairman of the Board of Directors in addition to his offices as Chief Executive Officer for part of the 2017-2018 fiscal year, i.e. April 1 to July 26, 2017, Paul Boudre was not paid any compensation in addition to what he earned as Chief Executive Officer.*
(2) *The valuation of preferred shares corresponds to a valuation carried out under IFRS 2.*

› Table 2 – Summary of compensation of each executive corporate officer *(in euros)*

Paul Boudre **Chief Executive Officer** *since January 16, 2015* **Chairman of the Board of Directors** *from September 11, 2015 to July 26, 2017* (1)	Fiscal year 2017-2018		Fiscal year 2017-2018	
	Amounts due for the fiscal year	**Amounts paid during the fiscal year**	**Amounts due for the fiscal year**	**Amounts paid during the fiscal year**
Fixed compensation	450,000	450,000	475,000	475,000
Annual variable compensation	559,305 (2)	545,355 (4)	783,748 (5)	559,305 (2)
Variable/fixed portion	124.29%	121.19%	165.00%	124.29%
Exceptional compensation	-	-	-	-
Directors' fees	N/A	N/A	N/A	N/A
Benefits in kind	21,208 (3)	21,208 (3)	24,720 (3)	24,720 (3)
TOTAL	**1,030,513**	**1,016,563**	**1,283,467**	**1,059,025**

(1) As stated above, for taking office as Chairman of the Board of Directors in addition to his office as Chief Executive Officer for part of the 2017-2018 fiscal year, i.e. April 1 to July 26, 2017, Paul Boudre was not paid any compensation in addition to what he earned as Chief Executive Officer.
(2) Variable compensation for fiscal year 2017-2018 paid during fiscal year 2018-2019.
(3) The amount of these benefits in kind corresponds to the granting of a car and voluntary insurance policy against employment loss.
(4) Variable compensation for fiscal year 2016-2017 paid during fiscal year 2017-2018.
(5) Variable compensation for fiscal year 2018-2019 that will be paid during the current 2019-2020 fiscal year, subject to prior approval of resolution 17 that will be submitted to our shareholders' vote during their General Meeting convened on July 26, 2019.

› Table 10 – History of free allocations of shares - Information on free share allocations

	Plan No. 1	**Plan No. 2**	**Plan No. 3**	**Plan No. 4**
Date of Shareholders' General Meeting	04/11 and 04/29/2016	-	-	-
Date of Board of Directors' meeting	07/26/2016	-	-	-
Total number of allocated shares, including the number that may be allocated to:	295,703 (1)	-	-	-
Paul Boudre	***44,947*** *(1)*	**-**	**-**	**-**
Date of conditional allocation	07/26/2016 (2)			
Vesting date of the shares	07/26/2017 (3)	-	-	-
End of the holding period	07/26/2019 (4)	-	-	-
Performance conditions	yes	-	-	-
Number of vested shares as of March 31, 2019	269,365 (1)	-	-	-
Cumulative number of canceled or void shares	0	-	-	-
Remaining performance shares at the end of the fiscal year (March 31, 2019)	26,338 (1)	-	-	-

(1) Preferred shares.
(2) Grant date of conditional rights to preferred shares.
(3) Definitive grant date of preferred shares.
(4) Availability date of the ordinary shares (after conversion of the preferred shares into ordinary shares).

› Table 11 – Employment contract, pension scheme and compensation related to termination of service or change in functions

	Employment contract		**Supplementary pension scheme**		**Compensation or benefits due or likely to be due because of termination of service or change in functions**		**Compensation relating to a non-compete clause**	
Executive Corporate Officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Paul Boudre* **Chief Executive Officer** *since January 16, 2015*	✓		✓			×	✓	

* *Mr. Paul Boudre's employment contract was suspended on the day he was appointed Chief Operating Officer, which took effect on June 1, 2008 (following the Board of Directors' decision at its meeting on May 16, 2008).*

4.2.1.2 Compensation of Thierry Sommelet, Chairman of our Board of Directors until March 27, 2019

Framework applicable to the fiscal year ended March 31, 2019 (*ex-ante* say-on-pay of July 26, 2018)

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional parts making up the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors for fiscal year 2018-2019 were subject to resolution 8 submitted for approval to the Shareholders' General Meeting held on July 26, 2018 (*ex-ante* say on pay).

These principles and criteria were approved beforehand by our Board of Directors at its meeting of June 13, 2018 on the recommendation of the Compensation Committee at its meetings of March 27 and June 12, 2018.

This resolution 8 had been adopted at 66.67% by the shareholders, thus approving the compensation policy of the Chairman of the Board of Directors for the 2018-2019 fiscal year.

Summary of the components of compensation of Thierry Sommelet for the fiscal year ended on March 31, 2019

The compensation policy for Thierry Sommelet in respect of the 2018-2019 fiscal year should have comprised the following components:

- an annual fixed compensation of €50,000 gross, payable in one or several times during the fiscal year; and
- Directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member, namely the Audit and Risks Committee, the Strategic Committee, and the Restricted Strategic Matters Committee, under the same conditions as the Directors of our Company other than Paul Boudre (who is not eligible for Directors' fees due to his duties as Chief Executive Officer),

all on a *prorata temporis* basis according to the duration of his positions within the Board of Directors for the fiscal year concerned.

Pursuant to this compensation policy and in consideration for the duration of his term of office during the 2018-2019 fiscal year, Thierry Sommelet was eligible to be paid Directors' fees representing a total of €96,621 gross, broken down as follows:

- €49,315 gross in respect of his duties as Chairman of the Board of Directors;
- €26,000 gross in respect of his attendance at the meetings of the Board of Directors; and
- €21,306 gross in respect of his attendance at the meetings of the Audit and Risks Committee and Strategic Committee.

However, by agreement with our Board of Directors, Thierry Sommelet did not receive any compensation in respect of his duties for the fiscal year ended on March 31, 2019, as for the previous fiscal year ended on March 31, 2018.

Ex-post say-on-pay submitted for our shareholders' approval on July 26, 2019 (18th resolution)

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, our Board of Directors will propose that our shareholders, during their General Meeting convened for July 26, 2019, approve the fixed, variable and exceptional parts making up the total compensation and benefits of any kind allocated to Thierry Sommelet, Chairman of the Board of Directors until March 27, 2019, for the fiscal year ended March 31, 2019 (*ex-post* say on pay), as described above.

This proposal is subject to the resolution 18, the content of which is reproduced in paragraph 8.2 of this Registration Document, and commented in our Board of Directors' report at the Shareholders' General Meeting shown in paragraph 8.3.

Standardized summary tables (AMF position recommendation no. 2009-16)

Amongst the 11 tables indicated within AMF position recommendation no. 2009-16 and those updated on April 13, 2015, only those that are applicable to Thierry Sommelet can be found below.

› Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer *(in euros)*

Thierry Sommelet **Chairman of the Board of Directors** *from November 29, 2017 to March 27, 2019*	Fiscal year 2017-2018	Fiscal year 2018-2019
Compensation due for the fiscal year (details in table 2 below)	29,655	96,621
Valuation of stock options allocated during the fiscal year	N/A	N/A
Accounting valuation of performance shares allocated during the fiscal year	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**29,655**	**96,621**

› Table 2 – Summary of compensation of each executive corporate officer *(in euros)*

Thierry Sommelet **Chairman of the Board of Directors** *from November 29, 2017 to March 27, 2019*	Fiscal year 2017-2018 Amounts due for the fiscal year	 Amounts paid during the fiscal year	Fiscal year 2017-2018 Amounts due for the fiscal year	 Amounts paid during the fiscal year
Fixed compensation	16,849	-	49,315	-
Annual variable compensation	-	-	-	-
Variable/fixed portion	N/A	N/A	N/A	N/A
Exceptional compensation	-	-	-	-
Directors' fees	12,806	-	47,306	-
Benefits in kind	-	-	-	-
TOTAL	**29,655**	**-**	**96,621**	**-**

4.2.1.3 Compensation of Éric Meurice, Chairman of our Board of Directors since March 27, 2019

Framework applicable to the fiscal year ended March 31, 2019 (*ex-ante* say-on-pay of July 26, 2018)

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable, and exceptional parts making up the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors for the fiscal year 2018-2019 were subject to resolution 8 submitted for approval to the Shareholders' General Meeting held on July 26, 2018 (*ex-ante* say on pay).

These principles and criteria were approved beforehand by our Board of Directors at its meeting of June 13, 2018 on the recommendation of the Compensation Committee at its meetings of March 27 and June 12, 2018.

This resolution 8 had been adopted at 66.67% by the shareholders, thus approving the compensation policy of the Chairman of the Board of Directors for the 2018-2019 fiscal year.

Summary of the components of Éric Meurice's compensation for the fiscal year ended on March 31, 2019

Éric Meurice's compensation policy for the fiscal year 2018-2019 consisted of the following components:

- an annual fixed compensation of €50,000 gross, payable in one or more installments during the fiscal year; and
- Directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member and/or the Chairman, namely the Strategic Committee which he chairs and the Nomination Committee, under the same conditions as the Directors of our Company other than Paul Boudre (who is not eligible for Directors' fees due to his duties as Chief Executive Officer).

all on a *prorata temporis* basis according to the duration of his positions within the Board of Directors for the fiscal year concerned.

Pursuant to this compensation policy and in consideration for the duration of his term of office during the 2018-2019 fiscal year, our Company paid Éric Meurice a total amount of €40,661 gross in directors' fees, broken down as follows:

- €685 gross in respect of his duties as Chairman of the Board of Directors;
- €11,597 gross in respect of his duties as Chairman of the Strategic Committee;
- €10,642 gross in respect of his attendance at the meetings of the Board of Directors; and
- €17,737 gross in respect of his attendance at the meetings of the Strategic Committee and the Nomination Committee.

Ex-post say-on-pay submitted for our shareholders' approval on July 26, 2019 (resolution 19)

In accordance with the provisions of Article L. 225-100 of the French Commercial Code, our Board of Directors will propose that our shareholders, during their General Meeting convened for July 26, 2019, approve the fixed, variable, and exceptional parts making up the total compensation and benefits of any kind paid or allocated to Éric Meurice, Chairman of the Board of Directors since March 27, 2019, for the fiscal year ended March 31, 2019 (*ex-post* say on pay), as described above.

This proposal is the subject of resolution 19, the content of which is reproduced in paragraph 8.2 of this Registration Document, and commented in our Board of Directors' report to the Shareholders' General Meeting shown in paragraph 8.3.

Standardized summary tables (AMF position-recommendation no. 2009-16)

In terms of the 11 tables referenced in AMF position-recommendation no. 2009-16 as updated on April 13, 2015, only those that are applicable to Éric Meurice are included below.

› *Table 1 – Summary of compensation, stock options and shares allocated to each executive corporate officer (in euros)*

Éric Meurice **Chairman of the Board of Directors** *since March 27, 2019*	**Fiscal year 2017-2018**	**Fiscal year 2018-2019**
Compensation due for the fiscal year (details in table 2 below)	N/A	40,661
Valuation of stock options allocated during the fiscal year	N/A	N/A
Accounting valuation of performance shares allocated during the fiscal year	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
TOTAL	**N/A**	**40,661**

› *Table 2 – Summary of compensation of each executive corporate officer (in euros)*

	Fiscal year 2017-2018		**Fiscal year 2017-2018**	
Éric Meurice **Chairman of the Board of Directors** *since March 27, 2019*	**Amounts due for the fiscal year**	**Amounts paid during the fiscal year**	**Amounts due for the fiscal year**	**Amounts paid during the fiscalyear**
Fixed compensation	N/A	N/A	685	-
Annual variable compensation	N/A	N/A	-	-
Variable/fixed portion	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	-	-
Directors' fees	N/A	N/A	39,976	-
Benefits in kind	N/A	N/A	-	-
TOTAL	**N/A**	**N/A**	**40,661**	**-**

4.2.2 COMPENSATION POLICY FOR OUR EXECUTIVE CORPORATE OFFICERS FOR THE CURRENT 2019-2020 FISCAL YEAR

4.2.2.1 Rules applicable to the calculation and payment of the compensation of our executive corporate officers

Ex-ante say-on-pay submitted for our shareholders' approval on July 26, 2019 (20th resolution)

In accordance with Article L. 225-37-2 of the French Commercial Code, during their Shareholders' General Meeting to be held on July 26, 2019, our Board of Directors will submit to our shareholders for approval the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional components of the total compensation and benefits of any kind payable to the executive corporate officers of our Company for the performance of their duties during the current fiscal year ending on March 31, 2020, and which constitutes the compensation policy in relation thereto.

These principles and criteria were adopted by our Board of Directors at its meeting of March 27, 2019, upon recommendation of the Compensation Committee having met the previous day.

Our Board of Directors will invite our shareholders to approve these as set out in this paragraph 4.2.2.

Ex-post say-on-pay to be submitted for our shareholders' approval in 2020

Pursuant to Article L. 225-100 II. of the French Commercial Code, the amounts which will result from the implementation of the principles and criteria indicated below, composing the compensation policy for our executive corporate officers for the current fiscal year ending on March 31, 2020, will be submitted to our shareholders for approval at their General Meeting to be held in 2020 to cast a vote on the financial statements for said fiscal year.

Furthermore, please note that, in accordance with Article L. 225-37-2 of the French Commercial Code, payment of variable and exceptional compensation to executive corporate officers will be subject to approval by our shareholders of the elements composing the compensation of the person concerned, under the conditions provided for in Article L. 225-100 of said Code.

4.2.2.2 Compensation policy applicable to Paul Boudre, our Chief Executive Officer, the sole executive corporate officer

Reappointment of Paul Boudre 's terms of office as Director and Chief Executive Officer

As an introductory comment, please note that the terms of office of Paul Boudre as Director and Chief Executive Officer will both end at the close of the Shareholders' General Meeting convened on July 26, 2019.

On March 28, 2018, in accordance with the recommendation of the Nomination Committee, our Board of Directors had already decided to submit a resolution for your approval in 2019 to reappoint Paul Boudre as a Director. This will be the resolution 9 submitted to the Shareholders' General Meeting of July 26, 2019.

In addition, at the same meeting of March 28, 2018, our Directors had unanimously indicated their desire to extend Paul Boudre's term as Chief Executive Officer beyond his current term. This decision will be implemented during the meeting of the Board of Directors that will be convened immediately after your Shareholders' General Meeting of July 26, 2019, and will be confirmed by the publication of a press release.

Annual fixed and variable compensation

In respect of his duties as Chief Executive Officer which will be subject to renewal during the meeting of our Board of Directors planned for July 26, 2019, Paul Boudre's compensation would be made up of the following components for the current 2019-2020 fiscal year:

(i) an annual fixed part of €550,000 gross, payable in 12 equal monthly payments during the fiscal year, it being recalled that this amount was set by our Board of Directors on July 26, 2018 and entered into force on January 1, 2019; and

(ii) a variable annual part according to the different targets to be allocated after the fiscal year end and to be paid only after approval by the Shareholders' General Meeting, which may range between 0% and 165% of the fixed part, as for the previous fiscal year ended March 31, 2019.

As was the case for the previous three fiscal years:

- achievement of the target values for the objectives approved by our Board of Directors should give the right to a variable part corresponding to 100% of the fixed part;
- achievement of the budgetary commitments would correspond to 90% of the target for the financial criteria; and
- exceeding target values of the objectives may be taken into account for up to 150%.

As for the 2018-2019 fiscal year, an increase of 10% would be provided in the event of achievement of an additional strategic objective which could bring the variable part of Paul Boudre's compensation to 165% of the fixed part.

The amount of compensation paid would be calculated on a gross basis.

Our Board of Directors will propose our shareholders to modify the weights of the objectives categories to be achieved as follows:

- the financial objectives would represent a weight of 65% of the total objectives used to assess the variable part, compared to 75% previously; and
- the strategic objectives would represent a weight of 35%, compared to 25% previously, and would in particular include 2 criteria linked to corporate social responsibility, in accordance with the new recommendations of the AFEP-MEDEF Code.

In summary, the variable part of Paul Boudre's compensation would be calculated according to achievement of the following objectives at the end of the 2019-2020 fiscal year:

Objective type and description	Weight
I. FINANCIAL OBJECTIVES	**65%**
1. *Level of revenue (in USD millions)*	20%
2. *Level of consolidated EBITDA (in absolute value in € million)*	20%
3. *Level of cash (in € million)*	25%
II. STRATEGIC OBJECTIVES	**35%**
5 contributions identified as our Group's main growth drivers including: • 3 strategic and commercial contributions: 1. *Executing the FY20 financing plan to support the business plan* 2. *Adoption of FD-SOI: determining a roadmap and deploying it on targets* 3. *Achieving key milestones to confirm the long-term strategy including new products* • 2 CSR focused contributions: 1. *Continue our Group's progress on gender equality* 2. *Improve the quality of working life of our employees*	*1 out of 5 = 0% achievement* *2 out of 5 = 50% achievement* *3 out of 5 = 90% achievement* *4 out of 5 = 100% achievement* *5 out of 5 = 150% achievement*
III. ADDITIONAL STRATEGIC OBJECTIVE	**INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION**

Implementation of a co-investment plan submitted to our Shareholders' General Meeting

In the context of a co-investment plan, it is anticipated that Paul Boudre will be allocated with new free preferred shares giving access to the share capital of our Company (the "PS 2").

This co-investment plan is the subject of resolutions 33 to 35 submitted to the Shareholders' General Meeting of July 26, 2019.

This free allocation would form part of Paul Boudre's compensation policy for the current 2019-2020 fiscal year.

It would be subject to the subscription by the latter for an amount of PS 2 equal to the third of those allocated free of charge, in the context of a share capital increase reserved for beneficiaries of said co-investment plan of which he would be one.

Each August 1, from 2020 until 2022 inclusive, a portion of these PS 2 would be definitively vested for Paul Boudre, subject to him complying with the condition of presence and tenure of his duties as Chief Executive Officer.

These PS 2 would be convertible into ordinary shares in our Company, subject to the fulfillment of performance conditions based on the achievement of targets relating to EBITDA, revenue and the total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index.

These stringent performance conditions, to be assessed over a period of three years, were set by our Board of Directors at its meeting held on June 12, 2019.

Detailed in resolution 33 submitted to the Shareholders' General Meeting of July 26, 2019 the content of which is set out in section 8.2 of this Registration Document, they are discussed in our Board of Directors' report to the General Shareholders' Meeting contained in paragraph 8.3.

Additional compensation items

Paul Boudre would receive benefits in kind including in particular a company car and a voluntary insurance policy against employment loss, as well as supplementary retirement schemes of the same type as those in place during the previous 2018-2019 fiscal year.

His duties as a Director would not be the subject of any compensation in addition to that received for his duties as Chief Executive Officer.

Similarly, Paul Boudre would receive no additional compensation or Directors' fees from the companies controlled by our Company.

4.2.2.3 Compensation policy of Éric Meurice, Chairman of our Board of Directors

Annual fixed remuneration and Directors' fees

In his capacity as Chairman of the Board of Directors, Éric Meurice would receive an annual fixed compensation amounting to €50,000 gross, payable in one or more installments during the fiscal year.

Furthermore, he would be eligible for the payment of Directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member/the Chairman, under the same conditions as the Directors of the Company other than Paul Boudre (who is not eligible for Directors fees due to his duties as Chief Executive Officer).

It is recalled that during its meeting of March 27, 2019, our Board of Directors redefined the allocation rules for Directors' fees to be paid to our directors.

This decision followed the adoption by our Shareholders on July 26, 2018 of a resolution proposing to increase to €720,000 the overall annual amount of Directors' fees allocated to the Board of Directors from the fiscal year beginning on April 1, 2018 (resolution 22 of the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018).

Given the current positions of Éric Meurice and given an attendance rate of 100% for the 2019-2020 fiscal year, his total compensation would comprise the following components:

Type of compensation and related duties	Amount (gross)
Chair of the Board of Directors Annual fixed compensation	€50,000
Member of the Board of Directors Directors' fees	€26,000
Chair of the Strategic Committee Directors' fees	€17,000
Member of the Strategic Committee Directors' fees	€13,000
Member of the Nomination Committee Directors' fees	€13,000
Member of the Restricted Strategic Matters Committee Directors' fees	N/A
TOTAL	**€119,000**

For the sake of clarity, please note that should Éric Meurice take other positions within the Committees of our Board of Directors during the current 2019-2020 fiscal year, his compensation would be adjusted as a result, in accordance with the currently applicable allocation rules for Directors' fees set on March 27, 2019.

4.2.2.4 Compensation policy for all other executive corporate officers potentially appointed during the current 2019-2020 fiscal year

If our Company were to appoint another executive corporate officer during the current 2019-2020 fiscal year, such as a Chief Operating Officer, for example, his/her compensation policy could be set based on the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional components similar to those comprising the total compensation and benefits of any kind attributable to Paul Boudre for the exercise of his duties as Chief Executive Officer for the fiscal year ending March 31, 2020 as presented above.

4.2.3 COMPENSATION AND BENEFITS OF ANY KIND OF OUR DIRECTORS

4.2.3.1 Directors' fees

Amount of Directors fees that may be allocated

Despite the increase in the number of Directors during the fiscal year 2016-2017 (with the Board of Directors increasing from 7 to 13 members at the time, and comprising 12 at present), our Shareholders have not been asked to vote on an increase in the value of the Directors' fees which can be awarded to our Directors other than the Chairman of the Board of Directors since 2012.

Therefore, at our most recent Shareholders' General Meeting held on July 26, 2018, our Shareholders were asked to re-assess the overall annual amount of the Directors' fees allocated to our Board of Directors, by setting this at €720,000 from the fiscal year beginning on April 1, 2018.

This proposal was adopted and therefore applies until a new resolution is adopted by the Shareholders' General Meeting.

Our Shareholders' also agreed that those amounts owed by our Company in respect of (i) the share of any potential social security payments and contributions and (ii) any company contributions for which our Company is responsible on the basis of the payment of directors' fees to its directors, shall not be included in this €720,000 envelope. These shall therefore be paid in addition by our Company.

Focus on the rules governing the distribution of Directors' fees

On March 27, 2019, further to a recommendation made by the Compensation Committee, our Board of Directors decide to set the rules governing the distribution of Directors' fees as follows, with retroactive effect as from April 1, 2018:

- seat on the Board of Directors: €26,000;
- seat on a Committee (other than the Restricted Strategic Matters Committee): €13,000;
- chair of a Committee: €17,000.

Regular attendance at the meetings of the Board of Directors and the Committees is rewarded.

Participation in meetings via conference call or video conferencing is considered equivalent to physical attendance.

The fees allocated to each Director will be pro-rated to the actual length of that Director's term of office, with regard to the compensation period under consideration.

Directors' fees shall be allocated exclusively to directors who have no operational and/or executive duties within our Group.

Directors' fees paid

Please note that, in accordance with the rules regarding the distribution of Directors' fees described above, our Chief Executive Officer, Paul Boudre, has not received any Directors' fees for the last two full fiscal years.

For his part, with the consent of our Board of Directors, Thierry Sommelet has not received any compensation on the basis of his duties as Chairman of the Board of Directors, as a Director, or as member of the Audit and Risks Committee or of the Strategic Committee, since November 29, 2017 (date of his appointment in his own name).

During the 2018-2019 fiscal year, the total amount of Directors' fees allocated to the other Directors totaled €557,550 (gross), compared with €406,301 (gross) for the previous fiscal year ended on March 31, 2018.

Details of these payments are shown in the table below:

Table 3 of the AMF position-recommendation no. 2009-16

› *Table showing Directors' fees and any other compensation paid to our non-executive corporate officers* *(in euros)*

	Amount paid on the basis of the 2017-2018 fiscal year	Amount paid on the basis of the 2018-2019 fiscal year
Monica Beltrametti		
Directors' fees	45,174	68,147
Other compensation	-	-
Bpifrance Investissement (represented by Thierry Sommelet)		
Directors' fees	20,772	N/A
Other compensation	-	N/A
Bpifrance Participations (represented by Sophie Paquin)		
Directors' fees	29,786	52,000
Other compensation	-	-
CEA Investissement (represented by Guillemette Picard)		
Directors' fees	25,893	49,111
Other compensation	-	-
Laurence Delpy		
Directors' fees	55,568	95,000
Other compensation	-	-
Victoire de Margerie		
Directors' fees	30,378	N/A
Other compensation	-	N/A
Douglas Dunn		
Directors' fees	34,702	21,929
Other compensation	-	-
Nadine Foulon-Belkacémi		
Directors' fees	41,824	69,908
Other compensation	-	-
Nabeel Gareeb		
Directors' fees	9,773	17,096
Other compensation	-	-
Christophe Gegout		
Directors' fees	36,833	65,286
Other compensation	-	-
Joe Martin		
Directors' fees	8,398	N/A
Other compensation	-	N/A
Éric Meurice		
Directors' fees	N/A	40,661
Other compensation	N/A	-
Satoshi Onishi		
Directors' fees	20,000	18,571
Other compensation	-	-
Weidong (Leo) Ren.		
Directors' fees	38,546	59,841
Other compensation	-	-
Thierry Sommelet		
Directors' fees	-	-
Other compensation	-	-
Xi Wang		
Directors' fees	8,655	N/A
Other compensation	-	N/A
TOTAL	**406,301**	**557,550**

4.2.3.2 Travel costs

Travel costs incurred by our Directors in the performance of their duties will be reimbursed by our Company, upon presentation of receipts.

4.2.4 COMPENSATION AND BENEFITS OF ANY KIND OF OUR EXECUTIVE COMMITTEE (EXCOM) MEMBERS

As of March 31, 2019, our ExCom had 11 members (compared with 9 as at March 31, 2018), resulting in an average headcount of 10.5 for the fiscal year.

The overall gross compensation paid by our Group to members of the ExCom, including any direct and indirect benefits granted to them, is estimated for the fiscal year ended on March 31, 2019 at €3,499 thousand compared with €10,387 thousand for the fiscal year ended on March 31, 2018.

It is broken down as follows:

(in € thousand)	March 31, 2018	March 31, 2019
Short-term benefits	2,656	3,499
Post-employment benefits	-	-
Accounting valuation of preference shares allocated during the current fiscal year*	7,731	-
TOTAL GROSS REMUNERATION PAID	**10,387**	**3,499**

* *The valuation of preferred shares corresponds to a valuation carried out under IFRS 2. As required, it should be noted that, for the fiscal year ended March 31, 2017, a portion of a free preferred shares allocation plan giving access to the share capital of our Company, with presence and performance conditions, had been awarded by the Board of Directors to each of the 9 members of the ExCom at that time, in the form of conditional rights to preferred shares. In this context, during the fiscal year ended on March 31, 2018, each of these 9 members was definitively awarded the preferred shares resulting from their respective conditional rights, since, on the definitive allocation date, they had each satisfied the condition of presence applicable to them pursuant to the plan's rules.*

For more information on the members of our ExCom, please refer to paragraph 4.1.1.2 of this Registration Document.

4.2.5 INTERESTS HELD BY OUR ADMINISTRATIVE AND MANAGEMENT BODIES

4.2.5.1 Interests in the Company's share capital held by the administrative and management bodies

Number of Company shares held by the administrative and management bodies

At June 12, 2019, our administrative and management bodies owned the following number of shares making up our share capital:

Full name/Company name	Position	Number of shares owned
Éric Meurice	Chairman of the Board of Directors	0
Paul Boudre	Chief Executive Officer and Director	9,264
Monica Beltrametti	Director	175
Bpifrance Participations (represented by Sophie Paquin)	Director	3,636,007
CEA Investissement (represented by Guillemette Picard)	Director	3,636,007
Laurence Delpy	Director	675
Nadine Foulon-Belkacémi	Director	0
Christophe Gegout	Director	0
Satoshi Onishi	Director	100
Kai Seikku	Director	0
Thierry Sommelet	Director	0
Jeffrey Wang	Director	0

4.2.5.2 Transactions on our Company's securities carried out by our executives and those closely connected to them

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and with Articles 223-23 and 223-26 of the AMF's General Regulation, the tables set out below present in chronological order a summary of all transactions carried out on the shares of our Company during fiscal 2017-2018 and up until June 12, 2019, by our corporate officers, certain executives of our Company, and those closely connected to them.

Please note that these transactions are declared only to the extent that the aggregate value thereof is more than €20,000 per declaring individual over the course of a calendar year.

Discloser	Paul Boudre	Paul Boudre	Paul Boudre
Position	Chief Executive Officer	Chief Executive Officer	Chief Executive Officer
Issuer	Soitec	Soitec	Soitec
LEI	969500ZR92SQCU9TST26	969500ZR92SQCU9TST26	969500ZR92SQCU9TST26
Type of financial instrument	Ordinary shares	Ordinary shares	Ordinary shares
Financial instrument identification code	FR0013227113	FR0013227113	FR0013227113
Number of financial instruments	1,286	1,286	1,286
Type of transaction	Donation	Donation	Donation
Transaction date	June 27, 2018	June 27, 2018	June 27, 2018
Place of transaction	Euronext Paris	Euronext Paris	Euronext Paris
Unit price	€75.95	€75.95	€75.95
Total amount of the transaction	€97,671.70	€97,671.70	€97,671.70

Discloser	Claire Gex born Boudre	Thomas Boudre	Charles Boudre
Position	Private individual closely related to Paul Boudre, Chief Executive Officer	Private individual closely related to Paul Boudre, Chief Executive Officer	Private individual closely related to Paul Boudre, Chief Executive Officer
Issuer	Soitec	Soitec	Soitec
LEI	969500ZR92SQCU9TST26	969500ZR92SQCU9TST26	969500ZR92SQCU9TST26
Type of financial instrument	Ordinary shares	Ordinary shares	Ordinary shares
Financial instrument identification code	FR0013227113	FR0013227113	FR0013227113
Number of financial instruments	1,286	1,286	1,286
Type of transaction	Disposal	Disposal	Disposal
Transaction date	June 28, 2018	June 28, 2018	June 28, 2018
Place of transaction	Euronext Paris	Euronext Paris	Euronext Paris
Unit price	€71.3165	€71.3986	€71.5229
Total amount of the transaction	€91,713.02	€91,818.59	€91,978.45

4.2.6 AMOUNTS PROVISIONED BY OUR GROUP FOR THE PAYMENT OF PENSIONS, RETIREMENT BENEFITS, OR OTHER BENEFITS

In addition to compulsory supplementary schemes, our Company has set up the schemes described below for all or certain employees of our Company as well as for our Chief Executive Officer, Paul Boudre.

These schemes are compliant with the recommendations of the AFEP-MEDEF Code about supplementary retirement schemes for the corporate officers.

- **Article 83 – Supplementary defined benefits retirement scheme:**

  Within this retirement scheme, the rights are individualized according to the contribution rate.

  The rights to defined benefits are vested even in case of resignation or dismissal.

  On retiring, annuity settlement is compulsory.

  In case of death before retirement, the designated beneficiary shall receive a capital lump sum.

  In case of death after retirement, if the reversion has been chosen, all or part of the pension is paid to the partner in life or to other beneficiaries if the agreement so provides.

  For all its employees, as well as for Paul Boudre, our Company contributes between 1.80% and 4.71% of gross salary or gross compensation depending on employee salaries and categories.

- **Article 39 – Supplementary defined benefits pension scheme set up for certain senior executives (of which there are 9 for the 2018-2019 fiscal year) and for Paul Boudre:**

  Within this collective retirement scheme, the rights are based on a percentage of the last compensation. The period and amount of the reference salary correspond to the gross compensations of the last 12 months, excluding exceptional compensations or premiums.

  Rights relating to defined benefits are lost in case of termination of the employment within the Company before retirement, other than in the event of involuntary departure after the age of 55 where no further employment is held before retirement.

  On retiring, annuity settlement is compulsory.

  In terms of percentage of the reference compensation, annual potential rights correspond to 9.80% of the annual gross compensation (as described above), after deduction of the annuity settlement paid as per Article 83 scheme.

On March 31, 2019, the sums provisioned for the purpose of the payment of pension, retirement, or other benefits for the 11 employee members of the ExCom totaled to €2,447 thousand, compared to €1,901 thousand for the fiscal year 2017-2018.

With regard to the amount provisioned by our Company for the 2018-2019 fiscal year to pay pension, retirement, or other benefits to Paul Boudre, these represented a total of €2,649 thousand, compared with €1,385 thousand for the previous fiscal year.

Please note that, as of the end date of the 2018-2019 fiscal year, the estimated value of the annuity settlement that could be paid to Paul Boudre on the basis of the regime governed by Article 39 totals €98 thousand, compared with €53 thousand at the end of the previous fiscal year.


€443.9M
Revenue
+42%
34.3%
EBITDA margin
€130M
Investments

5.

Comments on the fiscal year

5.1 ANALYSIS OF FINANCIAL POSITION AND CONSOLIDATED RESULTS FOR THE FISCAL YEAR

This chapter is part of our Company management report. It should be read in parallel with the Group's consolidated annual financial statements for the fiscal year ended March 31, 2019, which are presented in paragraph 6.2 below (the "consolidated financial statements").

Pursuant to Regulation (EC) no. 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of the Group have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), adopted by the European Union and made compulsory for the approval of accounts.

This reference framework, available on the European Commission's website (http//ec.europa.eu/internal_market/accounting/ias/index_fr.htm), incorporates the international accounting standards (IAS and IFRS), the Standing Interpretations Committee – SIC, and the International Financial Reporting Interpretations Committee – IFRIC.

The accounting rules and methods applied to prepare the financial statements are the same as those used in the consolidated financial statements for the fiscal year ended March 31, 2018, after taking account of, or with the exception of, the new standards and interpretations described in note 2 of the footnotes to the consolidated financial statements.

The Other Business segment, which includes discontinued operations, and in particular, business from the Solar Energy division, is shown in the financial statements under discontinued operations, in line with IFRS 5.

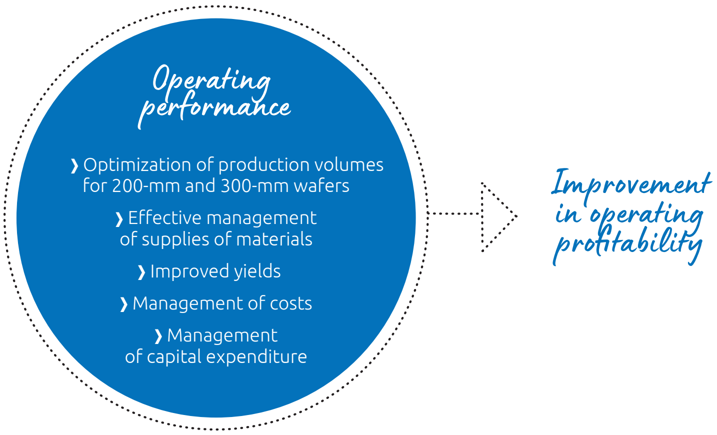
5.1.1 SUMMARY OF BUSINESS AND CONSOLIDATED RESULTS

5.1.1.1 Main trends that have impacted operations during the 2018-2019 fiscal year

Our Group continued its **strong revenue growth**.

Demand for 300-mm wafers continued to grow strongly during the 2018-2019 fiscal year. The FD-SOI, Imager-SOI, Photonics-SOI and RF-SOI products took over from the end-of-life PD-SOI product. Demand for 200-mm wafers for radio frequency and power applications remained at a sustained level and the Bernin production line operated at full capacity.

Since the previous fiscal year, Simgui, our industrial partner based in Shanghai, has been qualified by our clients for the production of 200-mm SOI wafers. This has enabled our Group to better serve the expanding radio frequency (RF) and power electronics application markets.



It should be noted that whilst **the production capacity utilization rate** of Bernin II 300-mm wafers was 37% on average for the previous fiscal year, it was close to 90% at end March 2019 (with an average of 70% for the 2018-2019 fiscal year).

The **restart of our Singapore site** continued during the fiscal year. This involves the implementation of a pilot production line for FD-SOI and RF-SOI wafers as the first stage in the larger scale and longer term production of 300-mm wafers on the site. The plant's qualification is ongoing whilst refresh and epitaxy capacities have been set up.

5.1.1.2 Income statement for the 2018-2019 fiscal year

Business during the 2018-2019 fiscal year was marked by a strong increase in revenue (+43%), a net profit of €90.2 million (compared to a net profit of €86.5 million in 2017-2018) and a significant improvement in our EBITDA (€152.3 million compared to €90.6 million for the 2017-2018 fiscal year).

(in € million)	2018-2019	2017-2018	2016-2017
Revenue	**443.9**	**310.6**	**245.7**
Gross profit	165.0	106.9	77.4
Current operating income/(loss)	**108.4**	**67.4**	**27.7**
as % of revenue	*24.4%*	*21.7%*	*11.3%*
Other operating income and expenses	0.5	4.1	(8.2)
Operating income (EBIT)	**108.9**	**71.5**	**19.5**
as % of revenue	*24.5%*	*23.0%*	*7.9%*
Income/(loss) from discontinued operations	0.3	(5.6)	1.1
NET PROFIT/(LOSS) (GROUP SHARE)	**90.2**	**86.5**	**8.4**
as % of revenue	*20.3%*	*27.8%*	*3.4%*
Basic earnings/(loss) per share *(in €)*	2.88	2.79	0.3

EBITDA

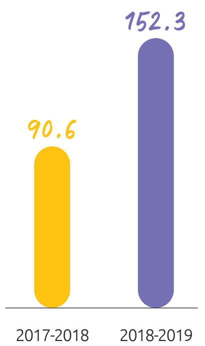
RÉMY PIERRE
Chief Financial Officer

"The very significant improvement in our EBITDA for the 2018-2019 fiscal year is primarily explained by the strong growth in our revenue as a result of the higher use of our industrial capacities, and our excellent operating performance".

(in € million)	**2018-2019**	**2017-2018**
EBITDA Electronics	152.3	90.6
EBITDA margin Electronics*	34.3%	29.2%
EBITDA Other businesses	(2.5)	(2.7)
EBITDA Group	149.8	88.0
EBITDA margin - Group	33.7%	28.3%

* *EBITDA margin Electronics = EBITDA from continuing operations/sales.*

› EBITDA Electronics *(as percentage of revenue)*



› EBITDA margin Electronics *(in € million)*

EBITDA represents operating income (EBIT) before depreciation, amortization, non-monetary items related to share-based payments and changes in provisions on current assets and provisions for risks and contingencies, and excluding income from asset disposals. The impact in equity of the first-time application of IFRS 15 is included in EBITDA. This indicator is a non-IFRS quantitative measure used to measure the Company's ability to generate cash from its operating activities.

5.1.1.3 Revenue up 43%

Consolidated revenue increased strongly by 43% to €443.9 million in 2018-2019 compared to €310.6 million in 2017-2018.

It grew by 42% at constant perimeter and exchange rates (1).

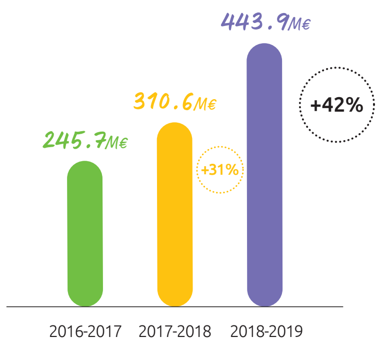
In particular, it reflects:

- growth of 17% at constant perimeter and exchange rates (1) of sales of **200-mm wafers**;
- and growth of 97% at constant perimeter and exchange rates (1) of sales of **300-mm wafers**.

Our Electronics division represented the whole Group revenue for the 2018-2019 fiscal year (as in the previous fiscal year).

Breakdown by products of the Electronics division's sales

› Revenue *(at constant scope and exchange rates)*

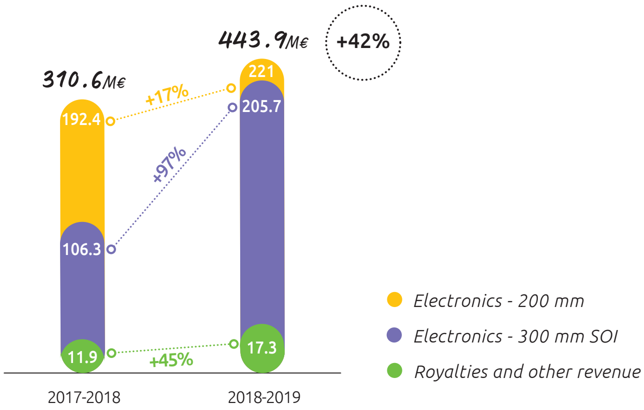


(in € million)	**Sales March 31, 2019**	**Sales March 31, 2018**	**Annual change** *(as %)*	**Key customers**	**Products**	**Application**
Electronics – 300 mm SOI	205.7	106.3	93%	Global Foundries, ST Microelectronics, Intel	PD-SOI, FD-SOI, RF-SOI, Imager-SOI, Photonics-SOI	Servers, PCs, Gaming consoles, Smartphones
Electronics - 200-mm	221.0	192.4	15%	Tower Jazz, UMC, Global Foundries, NXP, SSMC, Sony, TSMC	RF-SOI, Power-SOI	Smartphones, Tablets, Automotive, Industrial
Royalties and other revenue*	17.3	11.9	45%			
TOTAL ELECTRONICS	**443.9**	**310.6**	**43%**			
Total revenue	443.9	310.6	43%			

* *Including sales related to Dolphin Design.*

(1) Change at constant exchange rates and comparable scope of consolidation; the perimeter effects relate to the acquisitions of Frec|n|sys in October 2017 and of assets and certain liabilities of Dolphin Integration in August 2018, with the corresponding revenue recognized in the "Licenses and other revenue" segment.

› *Breakdown of revenue at March 31, 2019*



In comparison with the previous fiscal year, **sales of 200-mm wafers increased by 15%** to €221 million compared to €192.4 million:

- mainly driven by **sustained demand for RF-SOI substrates** (radio frequency applications) specifically designed for the mobility and automotive markets, this increase is the result of **higher volumes** and a more favorable **product mix**;
- the 200 mm SOI wafer production unit in Bernin is now operating at full capacity. The agreement signed with our Chinese subcontractor **Simgui** (our Group partner which uses our Smart Cut™ technology in its Shanghai plant) now gives access to additional industrial capacity to meet growing demand. During the 2018-2019 fiscal year, the volumes produced by Simgui represented over 13% of the total 200-mm wafers sold by our Group.

Sales **of 300-mm wafers grew by 93%** to €205.7 million compared to €106.3 million for the 2017-2018 fiscal year. This increase is mainly the result of:

- significantly higher volumes;
- along with a combined **product mix and more favorable price effect**;
- by product type, the increase in sales of 300-mm wafers reflects the following:
  - a very significant increase in sales of **FD-SOI** wafers (fully-depleted silicon-on-insulator) to major foundries,
  - and of **RF-SOI** wafers,

  which represent the two most important components in the sales of 300-mm wafers;
  - sales of **PD-SOI** products reaching their end-of-life (dedicated to PC and video games console markets) were down compared to the 2017-2018 fiscal year;
- the average **utilization rate** of capacities at our Bernin II plant (dedicated to the production of 300-mm wafers) grew throughout the 2018-2019 fiscal year to reach 90% in the fourth quarter;
- our 300-mm wafer production site in **Singapore** has now been qualified by several clients.

› Geographic breakdown of revenue from our Electronics division

	2018-2019	2017-2018	2016-2017
United States	19%	25%	22%
Europe	44%	41%	46%
Asia	37%	33%	33%

› Breakdown of revenue by customer

	2018-2019	2017-2018	2016-2017
Top five customers	56%	57%	60%
Customers 6 to 10	28%	25%	26%
Other customers/Royalties	16%	18%	13%

The top five customers represented 56% of sales during the 2018-2019 fiscal year, compared to 57% during the previous year.

Other Activities

This sector covers the following businesses:

- Solar Energy (€0.1 million in revenue for the 2018-2019 fiscal year compared to €1.2 million for the 2017-2018 fiscal year);
- Lighting (no revenue over the last three fiscal years);
- Equipment (no revenue over the last three fiscal years).

As part of our continued strategy to refocus on the Electronics business, our Group sold its 30% stake in Ceotis Éclairage in March 2019. This sale did not have any impact on the profit of the 2018-2019 fiscal year. It marked the completion of our Group's withdrawal from the Lighting business.

Pursuant to IFRS 5 on discontinued operations, the results of the Other Businesses are no longer provided in detail, but incorporated in a single line item in the consolidated income statement, representing the impact on Group net profit/loss.

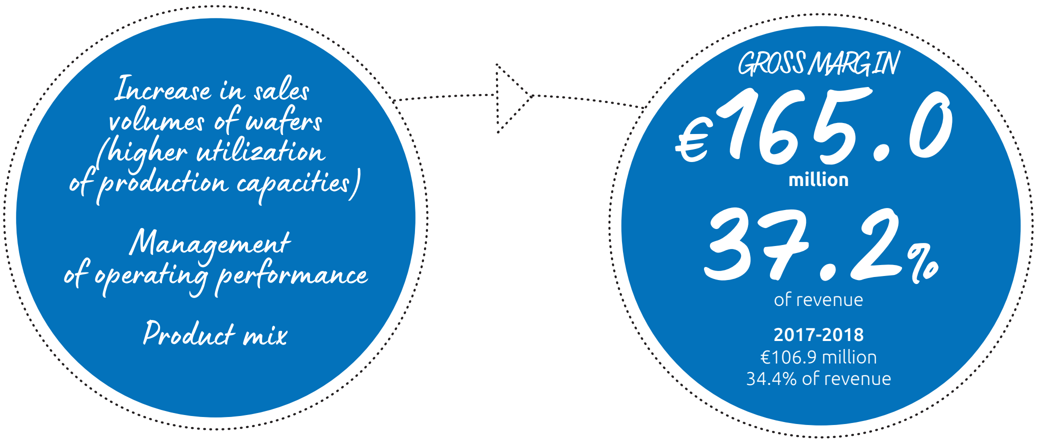
5.1.1.4 Gross profit: 37.2% of revenue compared to 34.4% for the previous fiscal year

Gross profit corresponds to total revenue minus the total cost of sales.

The cost of sales is equal to the sum of the following costs:

- **production costs**: these costs include the cost of raw materials, mainly silicon, manufacturing costs, including direct labor costs, depreciation and maintenance costs on production equipment and clean room infrastructure, and overhead costs allocated to production;
- **distribution costs**;
- **patent royalties** (mainly to CEA-Leti for the use of Smart Cut™ technology).

Gross profit for the Other Businesses does not appear in the Group's gross profit due to its being reclassified under discontinued operations for net income.



5.1.1.5 R&D costs up significantly

R&D costs are recorded as expenses as and when they occur, if the criteria imposed by IAS 38 allowing their recording in the balance sheet are not met.

R&D costs are essentially made up of the following:

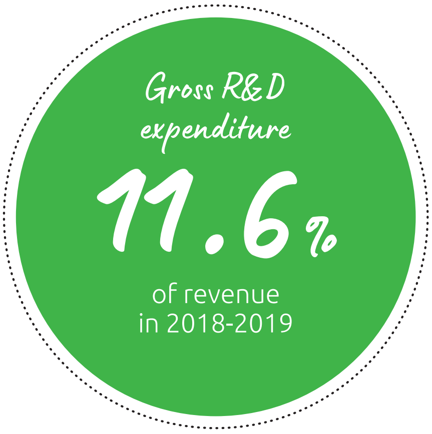
- salaries and social contributions, including share-based payments;
- operating costs of clean room equipment and equipment required for R&D activities;
- material used for finalizing and manufacturing prototypes;
- subcontracting to public research centers or private laboratories, cooperation agreements;
- costs relating to maintaining and strengthening the Group's intellectual property rights.

Provided the agreements are signed and the administrative authorizations obtained, the amounts received under **subsidy contracts** are deducted from gross R&D costs to reach a net amount recorded in the income statement.

The Group receives tax research credits. These are deducted from R&D costs in the income statement in accordance with IAS 20.

Tax research credits recorded in the financial statements for the 2018-2019 fiscal year amounted to €13.8 million.

R&D costs amounted to €20 million during the 2018-2019 fiscal year, up by €11.8 million compared to the 2017-2018 fiscal year when they were €8.2 million. They represented 4.5% of consolidated revenue for the fiscal year just ended, compared to 2.6% for the previous fiscal year. This increase is mainly the result of:



- a **higher level of gross R&D expenditure** (+€7.4 million compared to the 2017-2018 fiscal year), mainly due to Dolphin Design consolidation;
- and a **very high level of subsidies and cash advances recognized in the income statement for the 2017-2018 fiscal year**, which reduced the amount of net R&D costs due to the recognition of €7.5 million in redeemable advances (non-recurring effect) in the income statement, and by strong prototype sales.

5.1.1.6 Sales and marketing costs

Sales and marketing costs for the Electronics business **increased by €2 million to €9.8 million** for the 2018-2019 fiscal year compared to €7.8 million for the previous fiscal year.

They represented **2.2% of our revenue**. This increase is mainly due to the consolidation of Dolphin Design starting August 2018 for €1.2 million.

5.1.1.7 General and administrative expenses

Overheads and administrative costs increased by €3.3 million to €26.8 million for the fiscal year just ended compared to €23.5 million for the 2017-2018 fiscal year. €1.2 million of this increase is due to the consolidation of Dolphin Design and the impact of (i) expenses related to share-based payments (IFRS 2) and (ii) other compensation items (incentive plan, profit-sharing) - portion excluding production and R&D. The increase in general and administrative costs remained limited compared to the increase in revenue: these costs represented **6% of revenue** compared to 7.6% for the 2017-2018 fiscal year.

5.1.1.8 Current operating income at €108.4 million (+€41 million)

Current operating income/(loss) is calculated by deducting net R&D costs, general and administrative expenses and sales and marketing expenses from gross margin.

Impacted by the significant increase in gross margin, partly offset by the increase in net R&D costs and general and administrative costs, **current operating income amounted to €108.4 million** with a significant increase of €41 million compared to the 2017-2018 fiscal year when it was €67.4 million. It represents 24.4% of our revenue for the 2018-2019 fiscal year.

The increase in operating income was even greater given that the operating income at March 31, 2018, was favorably affected by non-recurring income (recognition in profit of €7.5 million from redeemable advances and €2.9 million from royalty income).

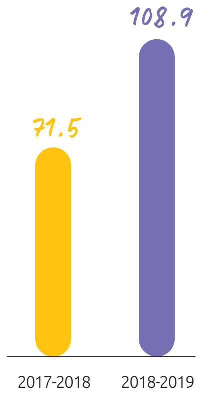
5.1.1.9 Operating income of €108.9 million (24.5% of revenue)

Operating income consists of the current operating income and other operating income and expenses.

Other operating income and expenses primarily included a gain from the sale of land (net income of €0.6 million) compared to a net income of €4.1 million in the previous fiscal year mainly corresponding to reversal of provisions for impairment.

Operating income was €108.9 million, up €37.4 million compared to the previous fiscal year when it amounted to €71.5 million.

› Operating income/(loss) *(in € million)*



5.1.1.10 Financial income/(expense)

Over the 2018-2019 fiscal year, the Group posted a net financial expense of €8.1 million compared to a net profit of €3.1 million for the previous fiscal year.

This net expense was due to the following:

- €3.2 million in **interest expenses** related to the unwinding of the discounting of the OCEANE 2023 convertible **bond** and the amortization of the issuing fees compared to an expense of €0.4 million for the previous fiscal year;
- €0.2 million in interest **on leases** (versus €0.5 million at March 31, 2018);
- €0.2 million in **interest on bank loans and overdrafts** (compared to €0.4 million at March 31, 2018) ;
- **foreign exchange gains/losses** were a loss of €4.6 million (compared to a loss of €0.8 million for the 2017-2018 fiscal year);
- €1.4 million **of other interest and expenses** (compared to an expense of €0.8 million at March 31, 2018) corresponding to the unwinding of discounting of the redeemable advances for R&D projects and the interest expense relating to retirement benefit commitments;
- at March 31, 2019, **financial income** comprised a reversal of provisions for late-payment interest for €1.3 million. At March 31, 2018, financial gains included €5.6 million in reversal of provisions relating to the recovery of a guarantee deposit (related to the Touwsrivier solar power plant bond).

5.1.1.11 Income/(loss) from discontinued operations

For the 2018-2019 fiscal year, the **net income/(loss) from discontinued operations** was a **profit of €0.3 million**, compared to a loss of €5.6 million for the 2017-2018 fiscal year.

This result is mainly due to reversals of unused provisions, with lower than expected operating costs.

5.1.1.12 Profit/(loss) and taxes

The Group recorded a **net profit** (Group share) **of €90.2 million**, €3.7 million higher than the net profit for the 2017-2018 fiscal year.

Fiscal year 2017-2018 benefited from the non-recurring positive effect of the recognition of a deferred tax asset of €25 million for tax loss carry-forwards in France.

Net earnings per share on an undiluted basis was a **gain of €2.88** compared to a gain of €2.79 for the previous fiscal year.

5.1.1.13 Balance sheet

(in € million)	2018-2019	2017-2018	2016-2017
Non-current assets	373.0	215.5	161
Current assets	257.5	120.2	90.2
Cash	175.3	120.0	109.3
Assets held for sale	16.7	24.0	29.1
TOTAL ASSETS	**822.5**	**479.7**	**389.6**
Total equity	398.3	278.6	149.1
Financial debt	221.8	78.3	120.9
Operating debts	196.3	110.7	105.9
Liabilities relating to assets held for sale	6.2	12.2	13.7
TOTAL EQUITY AND LIABILITIES	**822.5**	**479.7**	**389.6**

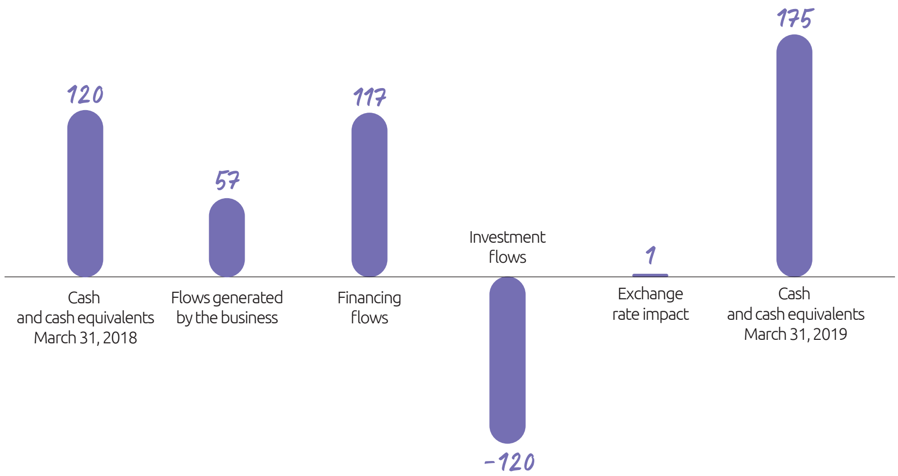
Non-current assets mainly comprise fixed assets, financial assets, non-current tax receivables and deferred tax assets. The €157.5 million increase of non-current assets is due to:

- the increase in net **intangible assets** for €30 million:
  - €11 million following the entry into our Group of Dolphin Design (of which €7.1 million in goodwill and €1.3 million in customer relationship and technology identified during the acquisition),
  - €13.4 million of capitalized development costs,
  - €8.2 million of software acquisitions,
  - partially offset by €2.4 million in amortization and depreciation during the fiscal year;
- the increase in net **Property, plant and equipment** for €119.2 million:
  - €130 million in acquisitions (of which €6.4 million related to the first-time application of IFRS 16) – *please refer to paragraph 5.1.2. for further information on capital expenditure during the fiscal year,*
  - €5.5 million in exchange rate impacts,
  - partially offset by disposals for €1.5 million and €22.6 million in amortization and depreciation;
- the increase in **non-current financial assets** for €1.9 million. Non-current financial assets comprise investments in non-consolidated companies and the fair value of currency hedges with a maturity of more than 12 months. The increase is due to:
  - additional investments in Greenwaves Technologies (€2.8 million), Technocom 2 (€0.15 million) and Exagan (€0.5 million) – *please refer to the note 3.5 of the notes to the consolidated financial statements for more details,*
  - partially offset by the €1.5 million decrease in the fair value of non-current hedging instruments;
- the increase in **deferred tax assets** for €6.6 million (additional activation of deferred tax assets on tax loss carry-forwards);
- the **other non-current assets** were stable at €44.4 million (€44.9 million at March 31, 2018). These were mainly tax receivables (research tax credit and job competitiveness tax credit).

The changes in current assets and liabilities are described in 5.1.3.1.

Our Group's **available cash and cash equivalents** improved during the 2018-2019 fiscal year, increasing from €120 million at March 31, 2018 to €175 million at March 31, 2019:

› *Cash generation* *(in € million)*



Please refer to paragraph 5.1.3.1 for more details on the change in working capital requirement and financing flows.

Assets held for sale (solar activity) are mainly related to the Touwsrivier solar power plant in South Africa. They concern the 20% stake in CPV Power Plant no. 1 (€5.3 million) and a receivable of €11 million related to this investment, both values at March 31, 2019. The liabilities related to the assets held for sale concerned provisions for commitments underlying the discontinued operations.

Financial debt excluding discontinued operations went from €78.3 million at March 31, 2018 to €221.8 million at March 31, 2019, mainly due to the implementation of the convertible bond financing known as Oceane 2023. Net debt (financial debt less cash and cash equivalents) went from negative net debt of €41.7 million to positive net debt of €46.5 million given the high level of investment during the 2018-2019 fiscal year.

Please refer to note 3.15 of the footnotes to the consolidated financial statements for details on the financial debt.

At the same time, **equity** went from €278.6 million at March 31, 2018 to €398.3 million at March 31, 2019, mainly under the combined impact of the portion of the convertible bond recorded in equity and the profit for the fiscal year.

5.1.2 CAPITAL EXPENDITURE

The objective of the Group's capital expenditure policy is to maintain production capacity in line with the demand expressed by customers or anticipated by our Group, while assuring the profitability of the capital expenditure.

In general, our Group launches a new production line when more than 80% of the capacity of the existing lines is used.

Most of the production equipment used by our Group is standard equipment in the semiconductor industry. Therefore, there is little risk of a supply or support disruption. The manufacturing lead times of the equipment suppliers are generally six to nine months.

The same equipment is used in the R&D clean room for the development and pre-industrialization of new products.

Finally, capital expenditures in information systems remain high (automated production management, logistic flows) even though our Group has made intensive use of IT services hosted in the cloud.

5.1.2.1 Main capital expenditures in the 2018-2019 fiscal year

CYRIL MENON
Director of Industrial Operations

"During the past year, the amount of capital expenditure was significant **(€130.8 million). It was mainly dedicated to increasing of our production capacity for 300-mm wafers at the Bernin and Pasir Ris sites, to adapt to the growing demand for wafers".**

Bernin I	Bernin II	Pasir Ris (Singapore)
200-mm	300-mm	300-mm FD-SOI wafers 300-mm materials recycling lines Epitaxy
Annual capacity 950,000 wafers (compared to 900,000 wafers in the previous fiscal year)	Preparations to increase capacities from 650,000 to 1,000,000 wafers per year in the long term	Anticipating increases in production capacity beyond the Bernin site Limiting the risk of dependency on our raw materials silicon wafer supply by setting up 300-mm materials recycling capacity.
€8.3 million in capital expenditure	€32 million in capital expenditure	€66 million in capital expenditure

In addition to this industrial expenditure, there were investments in IT, renewals, research, etc.

5.1.2.2 Main expected capital expenditure

During fiscal 2019-2020 our Group will carry on its ongoing investments, expecting that **capital expenditure will reach approximately 130 million euros** over the fiscal year as a whole.

€130
million
in investments planned for 2019-2020

- in Bernin, preparatory works will continue in relation with an extension of Bernin II existing building with a view to ultimately increasing the plant's total capacity from 650,000 to 1,000,000 300-mm wafers per year, given that our Group had previously indicated the desire to take this plant's capacity to 800,000 wafers per year. Investments will also relate to Bernin III facility dedicated to new innovative substrates for filters with a view to start building capacity in Piezo-on-Insulator (POI) wafers.
- in Singapore, investments will continue to progressively increase 300-mm wafers production capacity as part of the plan to reopen the plant with a view to potentially reach a production capacity of 1,000,000 wafers per year (300-mm) in order to support long-term demand for FD-SOI and RF-SOI 300-mm wafers – our Group's previous indication was that its intention was bring Singapore capacity to 800,000 wafers per year.

As indicated previously, customer commitments will determine the gradual roll-out of capacity capital expenditure.

5.1.3 CASH FLOWS AND FINANCIAL STRUCTURE

5.1.3.1 Cash flows

Our Group's available cash and cash equivalents improved during the 2018-2019 fiscal year, increasing from €120 million at March 31, 2018 to €175 million at March 31, 2019:

This improvement is explained mainly by:

- positive cash flows generated by the business during the fiscal year for €57 million. Net profit, corrected for non-monetary items, is partly offset by an increase of €93 million in the **working capital requirement**, principally because of:
  - an increase in **inventories** of €33 million, including an increase of €16 million in finished product inventories, in line with the strong growth in activity (mainly for 300-mm products) and €16 million for work-in-progress and raw materials. At March 31, 2018, inventories were low due to supply problems which have now been brought under control,
  - an increase in **account** receivables of €57 million due to increased revenue with a very high level of billing at the end of the fiscal year (and an impact of €5 million related to the application of IFRS 15),
  - an increase in **other receivables** of €34 million explained by an increase in tax and social security receivables of €20 million (of which €11 million in research tax credits) combined with a further €15 million in subsidies receivable,
  - these increases were partially offset by an increase in **trade payables** for €18 million (activity effect) and **other operating payables** for €12 million (mainly tax and social security payables);
- **financing flows**: €117 million resulting mainly from the issue of the convertible bond known as Oceane 2023 for €147.6 million (after deduction of the set-up costs) less repayments of credit lines;
- partially offset by the **investment flows** of €120 million.

5.1.3.2 Sources of financing

Our Group's primary objective is to have the necessary and sufficient financial resources to fund the growth of its business. As such, it systematically reinvests its earnings to promote an industrial growth strategy oriented toward strong product innovation. To this end, it has in the past called on its shareholders to finance its capital spending through capital increases and convertible bond issues.

Mainly due to the net profit and the portion of the convertible bond recorded in equity, our Group strengthened its **equity** which totaled €398.3 million at March 31, 2019 compared to €278.6 million at March 31, 2018.

Financial debt increased from €78.3 million at March 31, 2018 to €221.8 million at March 31, 2019, explained mainly by the issue of the convertible bond Oceane 2023.

The Group finances its industrial capital expenditure through **finance lease contracts** (€25 million in additional financing in 2018-2019).

Our Group has as objective to maximize the financing through **subsidies** of its R&D expenses.

Our Group also signed new **bank credit lines** worth €35 million with three banks. These credit lines are amortized on a straight-line basis until March 2024 at the latest. No covenant is attached to them.

Further information on the financing of the Company and the Group is provided in note 3.15 of the notes to the consolidated financial statements.

5.2 SUBSEQUENT EVENTS

5.2.1 ACQUISITION OF EPIGAN

On May 13, 2019, our Company purchased 100% of the equity of EpiGaN, the leading European supplier of gallium nitride (GaN) epitaxial wafers, for €30 million in cash plus an earn-out based on the achievement of certain milestones.

This acquisition will enable our Group to strengthen its foothold in the fast-growing 5G, power and sensor market segments. The addressable market size for gallium nitride-based technologies is estimated to be between 500,000 and 1 million wafers per year over the next five years. In addition, the EpiGaN acquisition also creates further, complementary growth opportunities for our Group's Power-SOI products, given the use of gallium nitride in the design of power transistors.

PAUL BOUDRE
Chief Executive Officer

"The acquisition of EpiGaN extends and complements Soitec's portfolio beyond its silicon-based materials, **and will allow the creation of new value added solutions for both radio frequency applied to 5G and for power systems".**

EpiGaN generated revenue of €2 million for its latest fiscal year ended December 31, 2018 and employs 10 people. Its equity amounted to €5.2 million at December 31, 2018.

5.2.2 DISPOSAL OF EQUITY INTEREST IN CPV POWER PLANT NO. 1 (AND THE ASSOCIATED LOAN)

As part of its withdrawal from solar activities, our Group signed a share purchase agreement on May 7, 2019 to sell its 20% stake in CPV Power Plant no. 1 (project company for the Touwsrivier solar power plant in South Africa). The shares were valued at €5.2 million in the financial statements at March 31, 2019. To be valid, this sale must be authorized by both the South African government and certain CPV Power Plant no. 1 creditors.

This sale will also involve the repayment of the loan granted to one of CPV Power Plant no. 1's shareholders. This loan was valued at €11.3 million at March 31, 2019.

5.3 TRENDS AND OBJECTIVES

Revenue
Growth around
30%

EBITDA margin
Around
30%

Capital expenditure
Around
€130 million

OUTLOOK FOR THE GROUP IN THE 2019-2020 FISCAL YEAR

Our Group expects fiscal year 2019-2020 sales to **grow by around 30%** at constant exchange rates and perimeter. Sustained demand is expected in relation to RF-SOI (200-mm) and Power-SOI (200-mm) products, leading the Bernin I production site to continue operating at full capacity, while our Group will continue to benefit from outsourced capacity. In the meantime, our Group's 300-mm business is expected to continue to grow further thanks in particular to further increases in FD-SOI and in 300-mm RF-SOI wafer sales. Consequently, our Group expects its Bernin II production site to reach a capacity utilization rate close to 100% in the early part of the fiscal year 2019-2020.

Our Group is also expecting its **Electronics EBITDA margin to reach around 30%** based on a $/€ rate at 1.13 (the sensitivity of EBITDA to a 10cts fluctuation in the $/€ rate being estimated at €23 million). Operating profitability will continue to benefit from the strong operating performance of our Bernin I production site, whereas the higher utilization rate foreseen at our Bernin II production site will translate into a higher operating leverage. However, as expected, profitability will be impacted by a certain number of factors:

- a less favorable product mix;
- the Singapore plant will generate higher operating expenses whilst sales will remain marginal;
- the dilutive effect of 200-mm wafers sourced from Simgui will increase;

bulk material price increases, following the end of some long term supply agreements.

For expected capital expenditure, please refer to paragraph 5.1.3.2 "Main expected capital expenditure".

EXISTENCE OF ANY KNOWN TRENDS, UNCERTAINTY OR REQUEST, OR ANY COMMITMENT OR EVENT THAT MAY REASONABLY BE EXPECTED TO INFLUENCE THE COMPANY'S OUTLOOK

Please refer to the different risk factors to which our Group is exposed, which are described in Chapter 2 of this Registration Document.

5.4 ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OUR COMPANY

This chapter corresponds to part of our Company.'s management report. It should be read in parallel with the annual financial statements for the fiscal year ended March 31, 2019 presented in Chapter 6.3 of this Registration Document (the "Statutory Financial Statements").

The annual financial statements for the fiscal year ended March 31, 2019, have been prepared in accordance with the presentation rules and assessment methods stipulated by current regulations. The presentation rules and assessment methods used are the same as those for the previous fiscal year.

Our Company is the parent company of our Group.

Our Company, as a production plant, supplies some of its subsidiaries. It also undertakes certain sales activities worldwide in addition to those of subsidiaries and retailers.

The relations between our Company and our subsidiaries are formalized through contracts, both with regard to the distribution of our Company's products and the operation of the subsidiaries.

5.4.1 ACCOUNTING ASPECTS

The annual financial statements of our Company at March 31, 2019, are presented pursuant to the accounting principles generally accepted in France for annual financial statements.

5.4.2 COMPANY'S FINANCIAL POSITION

Our Company's total net revenue showed an increase to €449 million in the 2018-2019 fiscal year, compared to €296 million in the 2017-2018 fiscal year.

For additional information on our Company's business during the 2018-2019 fiscal year, please refer to Chapter 5.1.1 of this Registration Document.

5.4.3 MAIN CHANGES IN THE COMPANY'S BALANCE SHEET

The main changes on the balance sheet in the 2018-2019 fiscal year are a sharp decrease in financial assets, due to the sales of receivables related to our subsidiary, Soitec Microelectronics Singapore Pte Ltd., and a sharp increase in non-current assets resulting from capital expenditure made in production equipment.

In the 2018-2019 fiscal year, our Company increased its investments in Greenwaves Technologies, Exagan and Technocom 2, to respectively €2.8 million, €0.5 million and €0.15 million. It also increased the capital of its subsidiary Frec|n|sys by offsetting its €0.5 million current account receivable.

Our Company sold the receivables with its subsidiary Soitec Microelectronics Singapore Pte Ltd. to its new Singaporean subsidiary Soitec Asia Holding Pte Ltd. for €127 million.

5.4.3.1 Balance sheet assets

Total non-current assets

Fixed assets increased from €137.4 million at March 31, 2018, to €264.6 million at March 31, 2019.

Intangible assets in progress included €16.7 million related to development projects capitalized in accordance with Article 311-3.2 of the French General Accounting Standard.

Our Company has a receivable of €127 million from its holding in its newly created and wholly owned subsidiary, Soitec Asia Holding Pte Ltd.

As part of our continued strategy refocusing on the Electronics business, our Company sold its 30% stake in Ceotis Éclairage in March 2019. This sale did not have an impact on the results of the 2018-2019 fiscal year, but marks the end of our Company's withdrawal from the Lighting business.

Current assets

Current assets increased from €242 million at March 31, 2018, to €406 million at March 31, 2019.

Current assets were subject to significant increases:

- an increase in **inventories** in line with the strong growth in business (mainly related to 300-mm products);
- an increase in **account** receivables due to the increase in revenue with very high billing levels at the end of the fiscal year;
- an increase in **other receivables** due to an increase in tax and social security receivables as well as an increase in subsidies receivable;

The marketable securities increased to €45 million at March 31, 2019.

Our Company has available cash flow of €95 million, compared to €66.4 million during the previous fiscal year.

5.4.3.2 Balance sheet liabilities

Total equity

As a result of the net profit, equity amounted to €310 million at March 31, 2019 compared to €201.8 million at March 31, 2018. The difference mainly comprises the profit of €108.5 million.

Provisions for contingencies and expenses

Provisions for liabilities and charges amounted to €4 million at March 31, 2019, compared to €3.3 million at March 31, 2018. Only one provision for losses on futures market was made at March 31, 2019 for €1.5 million.

Debts

On June 28, 2018, our Company issued bonds convertible into or exchangeable for new or existing shares (OCEANEs) with a maturity date of June 28, 2023, for an amount of €150 million.

Issuance costs for the OCEANE 2023 convertible bonds amounting to €2,426 thousand were amortized for €364 thousand during the 2018-2019 fiscal year.

5.4.4 FORMATION OF THE COMPANY'S OPERATING PROFIT

Our **Company's revenue amounted to €448.7 million**, compared to €296 million for the previous fiscal year, representing an increase **52%**.

Total operating income amounted to €502.7 million, compared to €340.6 million for the previous fiscal year, representing an increase of 48%. This change is mainly due to the higher sales of wafers and the increase in subsidy revenue recognition.

Operating costs for the fiscal year amounted to €395 million compared to €294 million the previous fiscal year, and **operating profit was €108 million**, compared to €47 million the previous fiscal year.

The financial statements for the 2018-2019 fiscal year show a **profit of €108,459,703.18** compared to a profit of €47,547,826.89 for the previous fiscal year.

For further information on our Company's financial position in respect of the two fiscal years prior to the fiscal year ended March 31, 2019, please refer to the management reports prepared by our Board of Directors in respect of the previous fiscal years, particularly page 45 of the 2017-2018 Registration Document, filed on June 18, 2018 with the AMF under number D.18-0856 and page 54 of the 2016-2017 Registration Document filed with the AMF under number D.17-0720.

5.4.5 PROPOSAL FOR THE APPROPRIATION OF INCOME FOR THE 2018-2019 FISCAL YEAR

The Board of Directors will be submitting the following proposal to our shareholders at the Shareholders' General Meeting on July 26, 2019:

- to allocate the amount of €505,769.02 to the legal reserve, to reach 10% of the share capital, taking it from €5,770,438.03 to €6,276,207.05; and
- to allocate the balance of €107,953,934.16 to "Retained earnings", which would thus be increased from €45,170,435.55 to €153,124,369.71.

5.4.6 NON-TAX DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 *quater* of the General Tax Code, we bring to your attention that the accounts for the year just ended include the sum of €129,985.34 corresponding to non-tax deductible expenses.

5.4.7 INFORMATION REQUIRED BY ARTICLE D. 441-4 ART 1 OF THE FRENCH COMMERCIAL CODE ON THE PAYMENT TERMS OF SUPPLIERS AND CUSTOMERS

Invoices received not settled on the closing date of the last fiscal year

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment ranges						
Number of invoices concerned	1,790					268
Total amount of invoices concerned € inc. taxes	39,174,632	909,563	351,187	90,034	945,588	2,296,373
% of total purchase amount for the year	9.8%	0.23%	0.09%	0.02%	0.24%	0.57%
(B) Invoices excluded from (A) relating to disputed and unrecorded debts and receivables						
Number of invoices excluded						
Total amount of excluded invoices						
(C) Reference payment terms used						
Payment terms used to calculate late payments	Contractual terms (mainly 45 days after issue date of the supplier invoice)					

Unpaid invoices issued on the closing date of the fiscal year that has expired

	0 day (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment ranges						
Number of invoices concerned	314					123
Total amount of invoices concerned € inc. taxes	133,426,430	(4,665,197)	(1,386,636)	232,986	2,821,532	(2,997,365)
% of sales for the year	28.84%	-1.01%	-0.30%	0.05%	0.61%	-0.65%
(B) Invoices excluded from (A) relating to disputed and unrecorded debts and receivables						
Number of invoices excluded						
Total amount of excluded invoices						
(C) Reference payment terms used						
Payment terms used to calculate late payments	Contractual terms					

* *Downpayments are considered immediatly due.*

6. Financial statements

6.1 HISTORICAL FINANCIAL INFORMATION

Pursuant to Article 28 of the European Regulation (EC) no. 809/2004, the following information is included in this Registration Document:

- our Company's annual financial statements at March 31, 2017 and the corresponding audit reports appearing on pages 152 *et seq.* and pages 154 *et seq.* of the Registration Document filed with the AMF on July 4, 2017 under number D.17-0720;
- our Company's consolidated financial statements at March 31, 2017 and the corresponding audit reports appearing on pages 121 *et seq.* and pages 152 *et seq.* of the Registration Document filed with the AMF on July 4, 2017 under number D.17-0720;
- our Group's consolidated financial statements at March 31, 2018 and the corresponding audit reports appearing on pages 179 *et seq.* and pages 181 *et seq.* of the Registration Document filed with the AMF on June 18, 2018 under number D.18-0586;
- our Group's consolidated financial statements at March 31, 2018 and the corresponding audit reports appearing on pages 146 *et seq.* and 177 *et seq.* of the Registration Document filed with the AMF on June 18, 2018 under number D.18-0586.

The parties not included in these documents are either not relevant for the investor, or are covered elsewhere in this Registration Document.

The Registration Documents cited above are available on the Company's website (www.soitec.com) and the AMF's website (www.amf-france.org).

6.2 CONSOLIDATED FINANCIAL STATEMENTS

6.2.1 OUR GROUP CONSOLIDATED FINANCIAL STATEMENTS

6.2.1.1 Our consolidated financial statements at March 31, 2019

Consolidated income statement

(in € thousand)	Notes	For fiscal year ended March 31, 2019	For the year ended March 31, 2018*
Sales	**3.1**	**443,946**	**310,631**
Cost of sales		(278,917)	(203,759)
Gross profit		**165,029**	**106,871**
Sales and marketing expenses		(9,792)	(7,750)
R&D expenses	4.2	(20,017)	(8,230)
General and administrative expenses		(26,815)	(23,492)
Current operating income/(loss)		**108,405**	**67,398**
Other operating income	4.4	566	4,299
Other operating expenses	4.4	(106)	(222)
Operating income/(loss)	**3.1**	**108,865**	**71,475**
Financial income	4.5	1,956	6,422
Financial expense	4.6	(10,038)	(3,303)
Financial income/(expense)		**(8,082)**	**3,119**
Profit/(loss) before tax	**4.7**	**100,783**	**74,594**
Income tax	4.7	(10,932)	17,485
Net profit/(loss) from continuing operations		**89,851**	**92,080**
Net profit/(loss) from discontinued operations	4.9	336	(5,566)
CONSOLIDATED NET PROFIT/(LOSS)		**90,187**	**86,514**
NET PROFIT/(LOSS) (GROUP SHARE)		**90,187**	**86,514**
Basic earnings/(loss) per share *(in €)*	4.8	2.88	2.79
Diluted earnings/(loss) per share *(in €)*	4.8	2.69	2.74

* *Our Group applied IFRS 15, IFRS 9 and IFRS 16 for the first time from April 1, 2018. Comparative data are not restated on account of the transition method chosen (modified retrospective approach).*

Basic earnings per share is €2.88, divided between continuing operations (€2.87) and discontinued operations (€0.01).

Diluted earnings per share is €2.69, divided between €2.68 for continuing operations and €0.01 for discontinued operations.

Consolidated statement of comprehensive income

(in € thousand)	Notes	March 31, 2019	March 31, 2018*
Consolidated net profit/(loss)		**90,187**	**86,514**
Items of comprehensive income that may be reclassified to the income statement		**(426)**	**(528)**
• of which: foreign exchange gains/(losses) on translation of foreign operations		6,880	(6,804)
• of which: changes in the fair value of hedging instruments		(11,143)	10,113
• of which: tax on items recognized in other comprehensive income		3,837	(3,837)
Items of comprehensive income that may not be reclassified to the income statement		**(1,471)**	**(31)**
• of which: actuarial gains/(losses) on defined benefit plans		(1,759)	(31)
• of which: changes in the fair value of non-current assets		(485)	-
• of which: tax impact		773	-
Income and expenses recognized in other comprehensive income		**(1,897)**	**(559)**
COMPREHENSIVE INCOME FOR THE PERIOD		**88,290**	**85,955**
Group share		*88,290*	*85,955*

* *Our Group applied IFRS 15, IFRS 9 and IFRS 16 for the first time from April 1, 2018. Comparative data are not restated on account of the transition method chosen (modified retrospective approach).*

Consolidated statement of financial position

Assets *(in € thousand)*	Notes	March 31, 2019	March 31, 2018*
Non-current assets			
Intangible assets	3.2	38,479	8,179
Property, plant and equipment	3.3	253,593	134,343
Non-current financial assets	3.5	11,018	9,114
Other non-current assets	3.6	44,351	44,914
Deferred tax assets	4.7	25,560	18,998
Total non-current assets		**373,001**	**215,548**
Current assets			
Inventories	3.7	72,333	39,952
Trade receivables	3.8	139,344	56,823
Other current assets	3.9	45,601	10,672
Current financial assets	3.10	255	12,787
Cash and cash equivalents	3.11	175,308	119,957
Total current assets		**432,841**	**240,192**
Assets held for sale	3.12	16,697	23,964
TOTAL ASSETS		**822,539**	**479,704**

Equity and liabilities *(in € thousand)*	Notes	March 31, 2019	March 31, 2018*
Total equity			
Share capital	3.13	62,762	62,762
Share premium	3.13	61,200	61,200
Reserves and retained earnings		269,553	148,289
Other reserves	3.13	4,802	6,325
Equity (Group share)		398,317	278,576
Total equity		**398,317**	**278,576**
Non-current liabilities			
Long-term financial debt	3.15	199,178	59,649
Provisions and other non-current liabilities	3.16	21,431	11,449
Total non-current liabilities		**220,609**	**71,098**
Current liabilities			
Short-term financial debt	3.15	22,605	18,610
Trade payables	3.17	62,239	42,427
Provisions and other current liabilities	3.18	112,596	56,806
Total current liabilities		**197,440**	**117,843**
Liabilities directly related to assets held for sale	3.12	6173	12,187
TOTAL EQUITY AND LIABILITIES		**822,539**	**479,704**

* *Our Group applied IFRS 15, IFRS 9 and IFRS 16 for the first time from April 1, 2018. Comparative data are not restated on account of the transition method chosen (modified retrospective approach).*

Statement of changes to equity

(in € thousand)	Number of shares	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Other reserves	Equity (Group share)	Total equity
March 31, 2017 [1]	**30,311,510**	**60,623**	**887,516**	**(475)**	**(806,050)**	**7,501**	**149,115**	**149,115**
Items of comprehensive income that may be reclassified to the income statement						**(528)**	**(528)**	**(528)**
• of which: foreign exchange gains/(losses) on translation of foreign operations						(6,804)	**(6,804)**	**(6,804)**
• of which: changes in the fair value of instruments eligible for hedge accounting						10,113	**10,113**	**10,113**
• of which: tax on items recognized in other comprehensive income						(3,837)	**(3,837)**	**(3,837)**
Items of comprehensive income that may not be reclassified to the income statement						**(31)**	**(31)**	**(31)**
• of which: changes in the fair value of non-current assets								
• of which: actuarial gains/(losses) on defined benefit plans						(31)	**(31)**	**(31)**
Total income and expenses in the fiscal year recognized in other comprehensive income						**(559)**	**(559)**	**(559)**
Income/(loss) for the period from continuing operations					92,080		**92,080**	**92,080**
Income/(loss) for the period from discontinued operations					(5,566)		**(5,566)**	**(5,566)**
COMPREHENSIVE INCOME FOR THE PERIOD					**86,514**	**(559)**	**85,955**	**85,955**
Exercise of stock options and/or definitive allocation of free shares	269,365	27			(27)		**-**	**-**
Impact of conversion of OCEANE	1,056,057	2,112	39,171		(1,396)		**39,887**	**39,887**
Capital increase costs (following conversion of OCEANEs)			(385)				**(385)**	**(385)**
Share-based payments					3,970		**3,970**	**3,970**
Treasury share transactions				43		(22)	**21**	**21**
Other [2]			(865,102)		865,710	(605)	**3**	**3**
MARCH 31, 2018	**31,636,932**	**62,762**	**61,200**	**(432)**	**148,721**	**6,325**	**278,576**	**278,576**

(1) Our Group applied IFRS 15, IFRS 9 and IFRS 16 for the first time from April 1, 2018. Comparative data are not restated on account of the transition method chosen (modified retrospective approach).
(2) Reclassification essentially related to the decision of the Shareholders' General Meeting of March 23, 2018 to allocate the Company's negative carry-forward account to share premiums.

(in € thousand)	Number of shares	Share capital	Share premium	Treasury shares	Reserves and retained earnings	Other reserves	Equity (Group share)	Total equity
March 31, 2018	**31,636,932**	**62,762**	**61,200**	**(432)**	**148,721**	**6,325**	**278,576**	**278,576**
First-time adoption of IFRS 15						**375**	**375**	**375**
Adjusted opening balance		62,762	61,200	(432)	148,721	6,700	**278,951**	**278,951**
Items of comprehensive income that may be reclassified to the income statement						**(426)**	**(426)**	**(426)**
• of which: foreign exchange gains/(losses) on translation of foreign operations						6,880	**6,880**	**6,880**
• of which: changes in the fair value of instruments eligible for hedge accounting						(11,143)	**(11,143)**	**(11,143)**
• of which: tax on items recognized in other comprehensive income						3,837	**3,837**	**3,837**
Items of comprehensive income that may not be reclassified to the income statement						**(1,471)**	**(1,471)**	**(1,471)**
• of which: changes in the fair value of non-current assets						(485)	**(485)**	**(485)**
• of which: actuarial gains/(losses) on defined benefit plans						(1,759)	**(1,759)**	**(1,759)**
• of which: Tax impact						773	**773**	**773**
Total income and expenses in the fiscal year recognized in other comprehensive income						**(1,897)**	**(1,897)**	**(1,897)**
Income/(loss) for the period from continuing operations					89,851		**89,851**	**89,851**
Income/(loss) for the period from discontinued operations					336		**336**	**336**
COMPREHENSIVE INCOME FOR THE PERIOD					**90,187**	**(1,897)**	**88,290**	**88,290**
Share-based payments					17,957		**17,957**	**17,957**
Oceane 2023 convertible bonds (net of issue expenses and deferred tax liabilities)*					13,359		**13,359**	**13,359**
Other					(239)		**(239)**	**(239)**
MARCH 31, 2019	**31,636,932**	**62,762**	**61,200**	**(432)**	**269,985**	**4,803**	**398,317**	**398,317**

* *On June 28, 2018, our Group issued a 5-year convertible bond. In accordance with IAS 32, an amount of €20,372 (before allocation of deferred tax liabilities) was recognized in equity.*

Statement of cash flows

(in € thousand)	Notes	March 31, 2019	March 31, 2018*
Net profit/(loss) from continuing operations		89,851	92,080
Net profit/(loss) from discontinued operations		336	(5,566)
CONSOLIDATED NET PROFIT/(LOSS)		**90,187**	**86,514**
Adjustments for:			
Depreciation and amortization expenses	3.2, 3.3 and 4.3	24,597	18,648
Impairment of non-current assets and accelerated depreciation/amortization	3.3	414	(3,273)
Provisions, net	3.5 - 3.7 - 3.8	(53)	(1,018)
Provisions for retirement benefit obligations	5.1	685	847
Income on asset disposal	4.4	(556)	(3)
Income tax	4.7	10,931	(17,485)
Financial income/(expense)	4.5 - 4.6	8,082	(3,119)
Share-based payments		17,957	3,970
Redeemable advances with no impact on cash		209	(4,850)
Impact in equity of first-time application of IFRS 15		379	
Non-cash items relating to discontinued operations		(2,845)	2,884
Changes in:			
Inventories		(32,971)	(4,900)
Trade receivables		(56,936)	(20,882)
Other receivables		(33,668)	(6,806)
Trade payables		18,281	(2,873)
Other liabilities		12,140	(10,366)
Change in working capital requirement on discontinued operations		256	(2,210)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**57,089**	**35,078**
of which continuing operations		*59,342*	*39,970*
Purchases of intangible assets		(21,627)	(5,816)
Purchases of property, plant and equipment		(99,024)	(21,003)
Proceeds from sales of intangible assets and property, plant and equipment		1,555	4
Acquisition of subsidiary, net of cash acquired		1,845	(1,272)
(Acquisition) and disposal of financial assets		(3,447)	8,161
(Investment)/divestment flows related to discontinued operations		1,132	1161
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(119,566)**	**(18,765)**
of which continuing operations		*(120,698)*	*(19,926)*
Convertible bond (net of issuance expenses) - OCEANE 2023		147,577	
Financing received from minority shareholders		400	
Drawings of credit lines		8,922	18,396
Repayment of borrowings (including leases)		(41,975)	(20,584)
Interest received		1,096	649
Interest paid		(875)	(1,803)
Financing flows related to discontinued operations		2,104	1,266
NET CASH GENERATED BY FINANCING ACTIVITIES		**117,249**	**(2,076)**
of which continuing operations		*115,145*	*(3,342)*
Effects of exchange rate fluctuations		577	(3,566)
CHANGE IN NET CASH POSITION		**55,349**	**10,671**
Of which continuing operations		*54,366*	*13,136*
Cash at beginning of the period		**119,957**	**109,286**
Cash at end of the period		**175,306**	**119,957**

* *Our Group applied IFRS 15, IFRS 9 and IFRS 16 for the first time from April 1, 2018. Comparative data need not be restated on account of the transition method chosen (modified retrospective approach).*

6.2.1.2 Notes to the consolidated financial statements at March 31, 2019

NOTE 1. OVERVIEW OF OUR COMPANY AND BUSINESS

Our Company, Soitec S.A., is a publicly listed company (*société anonyme*) governed by French law and listed for trading in compartment A of Euronext Paris. Soitec S.A. and its subsidiaries are referred to hereafter as our "Group". Our Company, Soitec S.A., is hereafter referred to as the "Company".

During fiscal year 2018-2019, our Group operated in two business segments:

- Electronics: historical activity in the semiconductor sector, representing the production and marketing of substrates and components for the semiconductor industry;
- Other activities: operations that have largely been discontinued by our Group, including mainly the Solar Energy sector. It notably includes the financing activities related to the Touwsrivier solar power plant in South Africa (an equity-accounted company held at 20% and a loan provided to one of the plant's shareholders), which are classified as assets held for sale and it includes some ongoing maintenance activities, primarily in Europe and the United States.

On June 12, 2019, the Board of Directors adopted our Group's annual consolidated financial statements for the year ended March 31, 2019, which will be submitted for approval at the Shareholders' General Meeting to be held on July 26, 2019.

NOTE 2. ACCOUNTING POLICIES

2.1 Statement of compliance

Pursuant to Regulation (EC) no. 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of our Group have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), adopted by the European Union and made compulsory for the approval of accounts.

These standards, available on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm), include international accounting standards (IAS and IFRS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

2.2 Basis of preparation

Presentation currency

Our Group's presentation currency is the euro. The consolidated financial statements are stated in thousands of Euros and all amounts are rounded to the nearest thousand unless stated otherwise.

Change in accounting policies

The accounting policies are the same as those for the consolidated financial statements on March 31, 2018, except for changes related to the first-time application of IRFS 15 "Revenue from Contracts with Customers", IFRS 9 "Financial Instruments" and IFRS 16 "Leases" (applied by early adoption from fiscal year 2018-2019).

Our Group has applied the following standards, amendments and interpretations, published by the IASB and adopted by the European Union, and mandatory for reporting periods beginning on or after April 1, 2018:

- IFRS 9 "Financial Instruments":
  - hedging instruments: the impact on the financial statements is not material,
  - non-consolidated investments: the standard provides the option to recognize the impact of these investments in profit or loss (method currently adopted by our Group) or in other comprehensive income. The standard thus had no impact on the recognition of non-consolidated equity stakes;

- IFRS 15 "Revenue from Contracts with Customers": the impact in equity of the first-time application of IFRS 15 was €379 thousand. For the year ended March 31, 2018, the impact on revenue and other income (as well as on trade receivables) amounted to €5,100 thousand;

Other new standards with mandatory application beginning on or after April 1, 2018 had no significant impact on our Group's financial statements:

- annual improvements to IFRS - 2014-2016 Cycle;
- amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions";
- IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration".

IFRS 16 "LEASES"

IFRS 16 "Leases": Our Group has chosen to early adopt, as of April 1, 2018 (transition date), the new standard IFRS 16 "Leases" which is mandatory for fiscal years beginning on or after January 1, 2019. The impact on the consolidated statement of financial position of the first-time application is €4,894 thousands (increase in property, plant and equipment and financial liabilities), whereas the impact on the income statement is not significant.

IFRS 16 puts greater emphasis on control of the leased asset. IFRS 16 replaces existing standards on leases, especially IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

Under IFRS 16, our Group must recognize assets (corresponding to the right-of-use of the underlying assets) and lease liabilities corresponding to its obligations to pay rent, for all its lease contracts.

The value of the asset (right-of-use) and the lease liability is initially measured at the present value of future rental payments, as well as estimated payments at the end of the contract. The lease term is defined contract by contract and corresponds to the firm period of the commitment, taking into account any optional periods if the exercise of such option is reasonably certain.

The right-of-use asset is depreciated over the remaining period of the lease.

Our Group applies the exemptions provided for by the standard for leases with a remaining term of 12 months or less and for leases whose underlying asset is of low value when new (less than USD 5,000). These rents are then recognized directly as expenses.

In addition, the following simplification measures were applied on transition:

- leases with a residual term of less than 12 months as of April 1, 2018 do not give rise to the recognition of an asset and a liability;
- the discount rates applied at the transition date are based on our Group's marginal borrowing rate at the transition date plus a spread to take into account the economic context specific to each country.

Leases entered into by our Group and included in the scope of application of this standard are mainly:

- property leases ;
- vehicle and other equipment leases.

Our Group has chosen to apply the modified retrospective approach provided for by the standard, which consists in recognizing the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity by considering that the right-of-use asset is equal to the amount of the lease liability, adjusted with the amount of any rental pre-payments.

The lease contracts restated under IFRS 16 have a total gross value of €7,600 thousand in the balance sheet at March 31, 2019 and a very limited net impact in the income statement. However, the nature of lease expenses has changed as the application of IFRS 16 means that instead of recognizing operating lease expenses on a straight-line basis for €1,168 thousand, an amortization expense of €1,144 thousand and an interest expense of €77 thousand were recorded at March 31, 2019.

The disclosures required by the standard are presented in notes 3.3 and 3.15 and 4.3.

2.3 Significant accounting judgments

As part of the normal process of preparing consolidated financial statements, the determination of certain items requires Group Management to make estimates and assumptions that affect the amounts reported for assets and liabilities, as well as the disclosures provided in certain notes as of the reporting date and the amounts reported for income and expenses. In particular they apply to:

- the impairment of non-current assets;
- the valuation of the cost of the free preferred share allocation plan;
- the impairment of inventories;
- the recognition of tax loss carryforwards;
- the valuation of the debt/equity components for the accounting of the OCEANE 2023 convertible bond;
- the amount of provisions for contingencies and charges;
- or for provisions for employee benefits and trade obligations.

These assumptions, estimates or assessment are prepared on the basis of available information or situations prevailing on the reporting date of the consolidated financial statements for the period ended March 31, 2019. Depending on changes in the assumptions used or economic conditions that differ from those existing as of that date, the amounts presented in our Group's future financial statements could differ significantly from the current estimates, particularly with respect to the costs of closing or selling the business activities in the Solar Energy segment. Regarding the assets held for sale, the expected selling prices are not below to their net book value.

2.4 Highlights of the year

Issuance of OCEANE 2023 convertible bonds

On June 28, 2018, the Company issued bonds convertible into or exchangeable for new or existing shares (OCEANEs) with a maturity date of June 28, 2023, for a total amount of €150 million. Under IAS 32, when an instrument contains both a debt component and an equity component, it is a compound instrument. The debt and equity components of the instrument must be split and recognized separately. The equity component corresponds to the option to convert into Company shares.

After valuating the debt component at €129,293 thousand, an amount of €20,707 thousand (gross amount before deduction of issuing fees) was recognized in equity. For fiscal year 2018-2019, interest expenses related to the discount unwinding of the debt amounted to €2,936 thousand, and amortization of debt issuance costs to €294 thousand.

Except for certain special cases, this initial split of a compound convertible instrument into debt and equity components is not revised after initial recognition, even if the probability that the conversion option will be exercised changes over time.

Issuance costs for the OCEANE 2023 convertible bonds amounting to €2,426 thousand were split between the two components *pro rata* to their respective values. For the debt component, these costs were included in the calculation of the effective interest rate.

Acquisition of assets and certain liabilities of Dolphin Intégration

During the summer of 2018, the Company established a new Company, Dolphin Design. As of August 24, 2018, our Company holds 60% of Dolphin Design, with the remaining 40% held by MBDA. This new entity was able to acquire some of the assets and liabilities of Dolphin Intégration (a company in receivership since July 2018) as part of a "business combination", for a total amount of €200 thousand. The assets taken over included investments in Dolphin Inc (Canada) and Dolphin Ltd. (Israel), two subsidiaries engaged in product development.

In addition, the shareholder agreement granted a put option to MBDA. Under the terms of this agreement, MBDA, holding 40% of Dolphin Design, may exercise its put option between November 1 and December 31, 2022 for the total of its holding. The liability related to this put option amounted to €7,669 thousand according to the formula set out in the shareholder agreement. Our Company can also require MBDA to sell its shares under specific conditions set out in the shareholder agreement. After deduction of the value of non-controlling interests at the time of the acquisition, an additional goodwill of €5,669 thousand was recognized, as our Group applied the method of anticipated acquisition.

At March 31, 2019, Dolphin Design was fully consolidated.

Total goodwill amounted to €7,069 thousand at March 31, 2019 after recognition of a technology for €1,500 thousand and of customer relation ship for €400 thousand.

See note 3.2 "Intangible assets" in section 3 "Notes to the balance sheet" for further details.

Free share allocation plan

PLAN FOR ALL EMPLOYEES

On July 26, 2018, our Board of Directors decided to set up two new free ordinary share allocation plans for all Group employees.

Subject to continued employment, length of service and performance conditions, these two new plans allocate a certain number of free shares to our employees as an incentive to contribute to our Group's growth. So far, 308,263 ordinary shares have been allocated:

- 270,655 ordinary shares to the employees of our Company and of Frec|n|sys, our French subsidiary; and
- 37,608 ordinary shares to the employees of our foreign subsidiaries in the United States, Singapore, Japan and South Korea.

At July 26, 2018, these shares represented about 1.1% of our Company's share capital.

The ordinary shares thus allocated will fully vest to the beneficiaries, subject to performance conditions and being an employee of our Group on the first working day after July 26, 2021.

MANAGEMENT'S LONG-TERM INCENTIVE PLAN

On July 26, 2018, our Board of Directors approved this long-term management incentive plan to allocate free preferred shares.

This plan is subject to continued employment and performance conditions based on a target share price and internal performance criteria based on a targeted EBITDA level.

Under the plan, 269,365 preferred shares vested in the previous fiscal years, and 26,338 new preferred shares will vest in fiscal year 2019-2020.

The plan's impact on the financial statements at March 31, 2019 and the allocation conditions are set out in note 4.1 "Employee-related costs".

New milestones reached in the ecosystem for the ramp-up of the 300-mm RF-SOI technology

On June 27, 2018, TowerJazz announced the ramp-up of its RF-SOI 65 nm process at its 300-mm wafer production site in Japan. This announcement was accompanied by the signature of an agreement with the Company securing the supply of tens of thousands of 300-mm RF-SOI wafers.

On September 25, 2018, GlobalFoundries announced the qualification and start of production of its mobile-optimized 8SW 300-mm RF-SOI technology platform. GlobalFoundries indicated that several clients were currently engaged for this 300-mm RF-SOI process, designed to accommodate LTE and Sub-6 GHz standards for front-end module applications, including 5G Internet of Things, mobile devices and wireless communications. According to GlobalFoundries, the 8SW platform delivers significant performance, integration and size advantages, with power consumption reduced by up to 70% and chip size 20% smaller than the previous generation.

Strengthening links with key players in the semiconductor ecosystem

In fiscal year 2018-2019, our Group made several important announcements confirming its position at the cutting edge of innovation in the industry, strengthening its links with key players in the semiconductor ecosystem, and significantly boosting the industrial and business outlook for the adoption of its technology:

- strengthening its collaboration with Samsung Foundry to ensure supply of FD-SOI wafers, thus extending the partnership between the two firms and laying solid foundations to streamline the FD-SOI supply chain and guarantee high production volumes for customers;
- Silicon Catalyst, a firm based in Silicon Valley and the world's only incubator focused exclusively on accelerating solutions in silicon, announced Soitec as its first European Strategic Partner, thus providing the Company access to early-stage silicon technology innovation targeting consumer, IoT (Internet of Things) and automotive applications and segments;
- Soitec is reinforcing its partnership with Simgui to double the annual production capacity of 200 mm SOI wafers from 180,000 to 360,000 at Simgui's manufacturing facility in Shanghai to better serve the growing global market for RF-SOI in mobile and power-SOI products;
- Soitec joined the China Mobile 5G Innovation Center, an international alliance chartered to develop 5G communication solutions for China, the world's largest wireless communications market;
- Soitec opened a direct sales channel in China, enabling its customers there to benefit from direct contact and support relationships with its local team as well as access to its global technical expertise and network across engineered substrates, addressing the full range of applications for China's growing electronics markets;
- Soitec and the Institute of Microelectronics (IME), part of the Agency for Science, Technology and Research (A*STAR) in Singapore, launched a joint program to develop a new layer transfer process within advanced wafer level multi-chip packaging techniques.

2.5 Significant accounting policies

A. Consolidation principles and scope

All the entities that our Group controls are fully consolidated.

Our Group considers that it has exclusive control over an entity when (i) it has power over the entity, (ii) it is exposed to or has rights to variable returns through its links to this entity, and (iii) it has the ability to affect those returns through its power over the entity.

The financial statements of our subsidiaries are included in the consolidated financial statements from the date control is effectively transferred until the date that control ceases.

At March 31, 2019, the consolidated financial statements included the financial statements of our Company and the subsidiaries listed below:

Entity	Date of consolidation	Percentage interest	Country	Functional currency
Soitec USA LLC	1997	100%	United States	US dollar
Soitec Japan Inc.	June 2004	100%	Japan	Japanese Yen
Soitec Microelectronics Singapore Pte Ltd	June 2006	100%	Singapore	US dollar
Soitec Korea LLC	July 2011	100%	South Korea	US dollar
Soitec Corporate Services SAS	July 2012	100%	France	Euro
Soitec Trading (Shanghai) Co. Ltd.	November 2013	100%	China	Yuan
Frecinlsys SAS	October 2017	100%	France	Euro
Dolphin Design SAS (1)	August 2018	100%	France	Euro
Dolphin Ltd. (1)	August 2018	100%	Israel	Israeli shekel
Dolphin Inc (1)	August 2018	100%	Canada	Canadian dollar
Soitec Newco 1 SAS (2)	March 2019	100%	France	Euro
Soitec Newco 2 SAS (2)	March 2019	100%	France	Euro
Soitec Newco 3 SAS (2)	March 2019	100%	France	Euro
Soitec Newco 4 SAS (2)	March 2019	100%	France	Euro
Soitec Asia Holding Pte Ltd. (3)	March 2019	100%	Singapore	US dollar
Entities in the Solar Energy segment:				
CPV Power Plant no. 1 Ltd. (Touwsrivier)	October 2009	20%	South Africa	Rand
Soitec USA Holding Inc. (4)	December 2009	100%	United States	US dollar
Soitec Solar Industries LLC	December 2009	100%	United States	US dollar
Soitec Solar Development LLC	September 2010	100%	United States	US dollar
Soitec Solar RSA Ltd	April 2011	100%	South Africa	Rand
Soitec Solar France S.A.S	October 2011	100%	France	Euro
CPV Power Plant no. 1 Bond SPV Ltd	September 2012	20%	South Africa	Rand
Soitec Solar Chile S.p.A.	July 2013	100%	Chile	Chilean peso
Concentrix Holding SAS	March 2018	100%	France	Euro
Project entities (5) in the solar segment:				
CPV Power Plant no. 2 (Pty) Ltd.	September 2010	100%	South Africa	Rand

(1) Our Group owns 60% of the entity but there is a commitment to repurchase the non-controlling interests.
(2) The four French "Newcos", set up in March 2019, are not active at this time and had no impact on our Group's financial statements at March 31, 2019.
(3) Creation of Soitec Asia Holding Pte Ltd., whose purpose is to hold the Soitec Microelectronics Singapore shares.
(4) Formerly Soitec Solar Inc.
(5) As part of its Solar Energy business, our Group established special purpose entities to hold the permits, administrative authorizations, costs and income associated with a solar power plant project. In general, the intention was to sell these legal entities to investors once the projects were sufficiently advanced.

The following entities were removed from the scope of consolidation during the fiscal year:

Entity	Change in scope
CPV Power Plant no. 1 Equity SPV Ltd	Loss of control after dilution followed by full divestment
Black Mountain CPV Power Plant no. 3 (Pty) Ltd.	Liquidated company
Schmidtsdrift CPV Power Plant no. 4 (Pty) Ltd.	Liquidated company

These withdrawals on net profitfor fiscal 2018-2019 is not significant (gain of €4 thousand).

Balances and transactions between Group companies are eliminated in the consolidated financial statements.

Business combinations are accounted for using the acquisition method. In the event of an acquisition, the acquired entity's identifiable assets and liabilities that meet the IFRS 3 recognition criteria are carried at fair value as determined at the acquisition date, except for any non-current assets classified as assets held for sale which are recorded at fair value less selling costs.

Accounting rules regarding business combinations and transactions with non-controlling interests include the following:

- acquisition costs are expensed at the acquisition date;
- the impact of repurchases of non-controlling interests in a subsidiary that is already controlled and of divestments of interests with no loss of control is recognized directly in equity without impacting goodwill or income;
- changes in the value of assets and liabilities relating to acquisitions recognized on a provisional basis (due to independent appraisal reports or further analyses not yet having been completed) are recorded as a retrospective adjustment to goodwill if they occur within 12 months of the acquisition date. After this period, any changes are recorded directly in income statement. Contingent considerations (earn-outs) are measured at acquisition-date fair value. If the obligation to pay a contingent consideration meeting the definition of a financial instrument was classified in equity it is not remeasured and is recognized in equity when settled. If not, any other contingent consideration is remeasured at fair value at each closing date and changes in contingent consideration, as well as in amounts owed to non-controlling interests (calls and puts) are recognized directly in income statement.

B. Conversion of the financial statements of foreign subsidiaries

Our Group's presentation currency is the euro. Our Company's functional currency is the euro. Our functional currency of each subsidiary is specified in the previous paragraph (A).

The financial statements of Group entities with functional currencies other than the euro are translated into euros as follows:

- assets and liabilities are translated at the closing rate on March 31, 2019;
- income statement items of each foreign operation are translated at the average exchange rate for the period or fiscal year which is deemed to represent the rate applicable on the effective transaction date;
- exchange differences resulting from the application of these different rates are recognized in other items of comprehensive income and accumulated in reserves under "Foreign exchange gains/(losses) on translation of foreign operations."

Monetary items forming part of a net investment in a foreign operation include debt, loans and receivables denominated in foreign currencies that relate to a foreign business and for which settlement is neither planned nor probable in the foreseeable future. Exchange differences relating to these items are recognized among other items of comprehensive income (OCI), under "Foreign exchange gains/(losses) on translation of foreign operations."

C. Intangible assets

GOODWILL

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (CGU) or groups of CGUs that are expected to benefit from the combination. Goodwill is not amortized but is tested for impairment at the end of each reporting period or whenever there are indications that its value may be impaired. Impairment losses recognized against goodwill cannot be reversed.

OTHER INTANGIBLE ASSETS

Intangible assets acquired separately by our Group are recognized at their acquisition cost, which corresponds to their acquisition-date fair value for assets acquired through business combinations. They mainly include software applications, which are accounted for at their purchase price and amortized using the straight-line method (1 to 5 years) and project development costs (amortized over their estimated useful lives, typically 10 years).

In accordance with IAS 38, development costs are capitalized if the following criteria are met:

- our Group has the intention and technical ability to complete the development project;
- it is highly probable that the future economic benefits attributable to the development costs will flow to our Group, generally evidenced by current orders or contracts;
- the costs can be measured reliably;
- our Group has the capacity to use or sell the intangible asset;
- our Group has the necessary resources to complete the project.

R&D costs that do not fully meet the above criteria are recognized in the income statement under the "R&D costs" item, as expenses for the fiscal year when incurred.

Our Group has defined an eight-stage life cycle for R&D projects. Upon the completion of each stage (milestone), a decision is made to either continue or discontinue the project. The first five stages cover exploratory research (evaluation of technologies), while the following two phases correspond to product development, generally in conjunction with a potential customer. The final stage involves high-volume industrialization of the product.

Costs incurred during exploratory research phases are recognized in the income statement, development costs are capitalized if they meet the criteria of IAS 38, otherwise they remain expensed. Costs incurred in the industrialization phase are recognized in cost of sales.

Prototype sales and subsidies (including the research tax credit) relating to capitalized development costs are initially recognized as deferred income and then under income as and when the associated development costs are amortized.

D. Property, plant and equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and any impairment losses. Subsequent expenditure is included in the carrying amount of the asset or, where applicable, recognized as a separate asset when it is probable that the future economic benefits associated with the asset will flow to our Group and the cost of the asset can be measured reliably. The carrying amount of replaced components is derecognized. All repair and maintenance costs are recognized in the income statement.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings, fixtures and fittings	15 to 30 years
Equipment and tooling	3 to 8 years
Other fittings and fixtures	5 to 10 years
Transport equipment	5 years
IT and office equipment	3 to 7 years
Office furniture	5 to 10 years

Residual value may be recognized where appropriate. The assets' residual value, useful life and depreciation method are reviewed at the end of each annual reporting period and amended on a prospective basis where applicable.

E. Leases

Property leases or equipment leases are recognized in the balance sheet at the lower of the fair value of the leased asset and the present value of minimum lease payments when our Group controls the asset.

The value of the asset (corresponding to the right of use of the underlying asset) and the lease liability (corresponding to the obligation to make lease payments) are initially measured at the present value of future lease payments, as well as estimated payments at the end of the contract. The lease term is defined contract by contract and corresponds to the non-cancellable period of the commitment, taking into account any optional periods if the exercise of such option is reasonably certain.

Lease payments are apportioned between payments of the interest and the principal of the outstanding liability. Assets are depreciated over the lease term plus any optional periods that are reasonably certain to be exercised.

Our Group applies the exemptions provided for by IFRS 16 for leases with a lease term of 12 months or less and for leases whose underlying asset is of low value when new (less than USD 5,000). These rents are recognized directly as expenses.

F. Fixed asset acquisition expenses

Acquisition costs increase the value of property, plant and equipment, intangible assets and investment property, as the case may be.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale (generally over six months) are included in the cost of that asset. All other borrowing costs are expensed as incurred.

G. Impairment of non-current assets

IAS 36 defines the procedures that a company must apply to ensure that the carrying amount of its assets does not exceed their recoverable amount, which is the amount that is expected to be recovered from their use or sale. Besides goodwill and intangible assets with an indefinite life that are systematically tested for impairment each year, the recoverable amount of an asset is estimated whenever there is an indication that the asset's value may be impaired.

CASH-GENERATING UNITS (CGU)

A cash-generating unit is the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

In the Electronics business segment, our Group has identified three CGUs, each of which was centrally managed with production capacity organized so as to optimize utilization regardless of geographical location. These CGUs are:

- *Electronics 300 mm*, primarily serving the digital market and leveraging the production capacity of the Bernin 2 plant and the Singapore plant;
- *Electronics small diameters*, primarily serving the radio-frequency and power markets and leveraging the production capacity of the Bernin 1 plant;
- *Integrated circuits design*: design of low-power electronic circuits, (Dolphin Design business).

In the Other Activities segment (Solar Energy business), on January 19, 2015, our Group announced its decision to withdraw from this business segment and to dispose of its main assets, and accordingly classified the related assets under assets held for sale.

IMPAIRMENT INDICATORS

Our Group regularly compares actual results to forecast results for all of its businesses in order to detect any impairment.

DETERMINING THE RECOVERABLE AMOUNT

When circumstances or events indicate that a non-current asset may be impaired, our Group reviews the recoverable amount of the asset (or of the group of assets to which it belongs).

The capitalized development costs, even if they are still in progress, are subject to an impairment test at least once per year.

The recoverable amount is the higher of its fair value less costs to sell and its value in use. It is estimated separately for each asset. Where this is not possible, assets are pooled into groups of CGUs for which the recoverable amount is then calculated.

Fair value less selling costs is the amount that could be obtained from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less costs to sell.

Value in use is the present value of the future cash flows expected to be derived from the continuous use of an asset and from its disposal at the end of its useful life. Value in use is determined using cash flows estimated on the basis of business plans or budgets typically drawn up for a period of five years, taking into account the specific risks inherent to the technological nature of our Group's business activity.

IMPAIRMENT

An impairment loss is recognized as soon as the carrying amount of an asset or the CGU to which it belongs exceeds its recoverable amount. Impairment losses are expensed under "Other operating income and expenses".

Except in the case of goodwill, impairment losses recognized in previous years may be reversed if, and only if, there has been a change in the estimates used to calculate the recoverable amount of the asset since the previous recognition of an impairment loss. However, the reversal of an impairment loss must not result in the carrying amount of the asset exceeding the carrying amount that would have been determined had no impairment been recognized for the asset in previous years.

H. Financial assets

Following the first-time application of IFRS 9, financial assets are classified into three categories depending on their nature and the purpose for which they are held:

- assets measured at amortized cost;
- assets measured at fair value through profit or loss;
- assets measured at fair value through other comprehensive income.

IFRS 9 stipulates that financial assets are generally classified based on the business model of holding the asset and the characteristics of its contractual cash flows.

Financial assets	Original classification according to IAS 39	New classification according to IFRS 9
Non-consolidated investments	Assets available for sale	Assets measured at fair value through profit or loss
Derivative financial instruments (positive fair value)	Fair value - hedging instrument	Fair value - hedging instrument
Deposits and guarantees	Assets at amortized cost	Assets at amortized cost
Other	Assets at amortized cost	Assets at amortized cost
Trade receivables and related accounts	Loans and receivables	Assets at amortized cost
Cash and cash equivalents	Loans and receivables	Assets at amortized cost

Financial liabilities	Original classification according to IAS 39	New classification according to IFRS 9
Derivative financial instruments	Fair value - hedging instrument	Fair value - hedging instrument
Other borrowings and debt	Amortized cost	Amortized cost
OCEANE convertible bonds	Amortized cost	Amortized cost
Authorized credit lines used	Amortized cost	Amortized cost
Other financial liabilities	Amortized cost	Amortized cost
Trade payables and related accounts	Loans and receivables	Amortized cost

A financial asset is measured at **amortized cost** if it meets both of the following criteria and if it is not designated at fair value through profit or loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured at amortized cost according to the effective interest rate. The amortized cost is net of impairment. Interest revenue, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains and losses resulting from derecognition are recorded in profit or loss.

A financial instrument is measured at **fair value through other comprehensive income** if it meets both of the following criteria and it is not designated at fair value through profit or loss:

- the asset is held within a business model whose objective is achieved by both the collection of the contractual cash flows and by the sale of financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured later at fair value. Interest revenue calculated by applying the effective interest rate method, foreign exchange gains or losses and impairment are recognized in profit or loss. The other gains and losses are recognized in other comprehensive income. At derecognition, the gains and losses cumulated in other comprehensive income are reclassified to profit or loss.

The term "principal" refers to the fair value of the financial asset when it was initially recognized. "Interest" refers to the consideration for the time value of money, the credit risk associated with the principal amount outstanding for a given period, and the other risks and expenses related to a base loan and a margin.

All financial assets that are not classified as such at amortized cost or at fair value through other comprehensive income are measured at **fair value through profit or loss**. These assets are measured at fair value. Net gains and losses, including interest or dividends collected, are recognized in profit or loss.

All standard purchases and sales of financial assets are recognized at the settlement date.

I. Financial liabilities

Financial liabilities are classified into two categories:

- financial liabilities at amortized cost;
- financial liabilities at fair value through profit or loss.

FINANCIAL LIABILITIES AT AMORTIZED COST

Loans and other financial liabilities (including trade payables) are accounted at amortized cost by applying the effective interest rate method. Issuance costs and premiums as well as redemption premiums are included in the amortized cost of loans and debt. They are presented in reduction or increase of the loans, as appropriate, and are amortized on an actuarial basis.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial liability is classified as a financial liability at fair value through profit or loss if it is held for the purposes of transactions, whether it is a derivative or designated as such at the time of its initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value, and the resulting net gains and losses, taking into account interest expense, are recognized in profit or loss.

J. Financial Instruments

HEDGING DERIVATIVE INSTRUMENTS

Our Group hedges its currency risk on some of its transactions denominated in US dollars through derivatives (forward sales, options contracts). These derivative instruments are solely designed to hedge currency risks on fixed commitments or highly probable future transactions.

Derivatives are initially recognized at fair value upon acquisition. Attributable transaction costs are recognized in the income statement when incurred. In the absence of a hedging relationship, following the initial recognition, the changes in the fair value of derivatives are immediately expensed.

If the derivative is designated as a hedge of the fair value of assets or liabilities recognized in the consolidated balance sheet, changes in the value of the derivative and of the hedged item are recognized in profit or loss in the same period.

If the derivative is designated as a cash flow hedge, changes in the value of the effective portion of the derivative are recognized in other comprehensive income. It is recognized in income when the hedged item is itself recognized in profit or loss. However, the ineffective portion of the derivative is immediately recognized in financial income/(expense).

FAIR VALUE OF FINANCIAL INSTRUMENTS

Our Group applies IFRS 7 regarding financial instruments measured at fair value in the balance sheet. Fair value measurements are broken down by level in the fair value hierarchy, as follows:

- Level 1: the instrument is quoted in an active market;
- Level 2: fair value is determined using valuation techniques based on observable inputs, other than the prices quoted in level 1, either directly (prices) or indirectly (pricing data);
- Level 3: at least one significant fair value component is based on non-observable inputs.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent regularly occurring market transactions. These instruments are classified in Level 1.

The fair value of financial instruments not quoted in an active market (e.g., over-the-counter derivatives) is calculated using valuation techniques. These valuation techniques maximize the use of observable market data if available and rely as little as possible on our Group's own estimates. If all inputs required to calculate the fair value of an instrument are observable, the instrument is classified in Level 2 of the fair value hierarchy.

If one or more of the principal inputs is not based on observable market price data, the instrument is classified in Level 3.

K. Inventories

Inventories of raw materials and consumables are stated at acquisition cost. A provision for depreciation is set aside for obsolete or surplus items.

Finished goods are carried at production cost except for those whose cost exceeds their selling price during the start-up phase of production and obsolete or surplus items. A provision for depreciation writes down the carrying amount of finished goods to their realizable value less proportionate selling expenses.

Work-in-progress is measured using the same principles in accordance with the percentage of completion of production.

L. Trade receivables

Trade receivables are measured initially at the transaction price if they do not have a significant financing component. After initial recognition, they are carried at amortized cost calculated using the effective interest rate method.

Trade receivables in foreign currencies are re-evaluated at the closing rate.

IMPAIRMENT

A provision for loss is recorded if there is an objective indication based on a case-by-case analysis that our Group might not be able to recover part of or all of its receivables.

M. Assets held for sale

Non-current assets held for sale (or disposal groups) are classified as "Assets held for sale" when it is highly likely that they will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale may consist of an entity, a disposal group or a separate non-current asset.

At their initial classification as held for sale, non-current assets and disposal groups are accounted at the lower of their carrying amount and their fair value less selling costs.

Impairment losses resulting from the classification of an asset (or a group of assets and liabilities) as held for sale or distribution plus gains and losses from subsequent revaluations are recognized in profit or loss. Once classified as assets held for sale, intangible assets and property plant and equipment are no longer depreciated.

The fair value of the assets held for sale is estimated by our Group management on the basis of multiple criteria including in particular some values from recent acquisition proposals and from reports by experts involved in the preparation for the sale of these assets to a third party.

N. Cash and cash equivalents

Cash and cash equivalents primarily consist of interest-bearing accounts and term deposits readily convertible into cash that are not exposed to a significant interest rate risk and that are available at any time.

Investments with a maturity of more than three months with no early exit options along with investments in money-market UCITS (OPCVM) which do not meet the criteria for recognition as cash equivalents under IAS 7 are classified within other financial assets.

O. Equity

EQUITY INSTRUMENTS AND COMPOUND INSTRUMENTS

Classification in equity depends on a specific analysis of the characteristics of each instrument issued.

TRANSACTIONS COSTS ON EQUITY INSTRUMENTS

External costs directly related to capital transactions or equity instruments are recognized net of income tax as a deduction from equity. Other costs are expensed as incurred.

TREASURY SHARES

Purchases of treasury shares are recorded as a deduction from our Group equity based on their acquisition cost. Any gains or losses upon disposal or use are recognized in other reserves. When treasury shares are used as payment for an acquisition, the value used for accounting purposes corresponds to their market price at the transaction date.

SHARE-BASED PAYMENTS

In accordance with IFRS 2 “Share-based Payment”, equity-settled transactions are measured at the grant date. The fair value of these instruments, determined by an independent expert, is calculated using a model that reflects the instrument’s characteristics. This valuation model takes into account the exercise price and life of the option, the price of the underlying shares, the expected volatility of the share price and the risk-free interest rate over the life of the option. The value of these options is recognized on a straight-line basis in employee-related costs between the grant date and the acquisition date, with a corresponding adjustment to equity, since the options are equity-settled plans.

Regarding free share plans, their fair value is also determined based on the characteristics of the plan, stock market data at allocation date and an assumption of the employee’s continuing presence on the payroll at the end of the vesting period. If the plan does not specify the vesting arrangements, the expense is recognized in full as soon as the plan is awarded. Otherwise, the expense is recognized over the vesting period as and when the vesting conditions are met.

P. Provisions

A provision is recognized when our Group has a current contractual or implicit obligation arising from a past event, the amount of which can be estimated reliably, and the settlement of which is expected to result in an outflow of resources representing economic benefits for our Group. Provisions are adjusted when the impact of the update is significant.

A provision for restructuring is only recognized when there is an implicit obligation to a third party, originating from a decision of the Management materialized before fiscal year-end by in the form of a detailed and formalized plan and the announcement of this plan to the persons concerned.

Contingent liabilities consist of a potential obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation for which an outflow of resources is unlikely. Contingent liabilities are not recognized but are disclosed in the notes.

Q. Retirement and related benefits

RETIREMENT INDEMNITIES AND RELATED BENEFITS

French law provides for payment of a lump-sum retirement indemnity. This indemnity is determined depending on the years of service and the level of remuneration at the time of retirement. Only employees who reach retirement age while on our Company’s headcount are entitled to this indemnity.

OTHER PENSION PLANS

Our Group has entered into an agreement to supplement statutory retirement benefits. In addition to statutory benefits, our Group operates a complementary pension plan for certain employees. This defined benefit plan is managed by an outside agency.

In the US, Soitec USA Inc. pays into a funded pension plan under section 401(k) of the US Internal Revenue Code. This defined contribution pension plan is exempt from tax and covers the majority of our US employees.

Defined benefit plans are measured on an actuarial basis using the projected unit credit method, which factors in demographic (salary trends, age upon retirement, staff turnover, mortality rate) and financial (discount and inflation rate) assumptions. Actuarial gains and losses resulting from the revision of calculation assumptions are immediately recognized in other items of comprehensive income (equity) under “Actuarial gains/(losses) on defined benefit plans”.

For defined contribution plans, payments are expensed as incurred. There are no actuarial liabilities to this end.

R. Revenue recognition

The impact of our Group’s first-time application of IFRS 15 “Revenue from Contracts with Customers” is described in note 2.2.

In accordance with IFRS 15, revenue is recognized when control of goods or services is passed to customers in exchange for the consideration to which our Group expects to be entitled. Recognition is based on a five-step analysis:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue recognition comes mainly from the sales of products. It is supplemented by license income.

All trade receivables are reported under “Trade and other receivables”.

Contract liabilities mostly consist of prepayments from customers or credit notes to be drawn up as well as goods sent to customers for which control has not been transferred before fiscal year end.

Revenue is determined on the basis of the consideration specified in the contract with a customer.

Revenue recognition criteria and conditions are as follows:

- silicon wafer sales are recognized as revenue when the control of goods passes to the customer under the terms of sale set out in the customer contracts. Revenue is generally recognized when the customer accepts delivery of the goods at their facilities or when the goods leave the warehouses of our Group’s entities, depending on the Incoterm in use;

- licensing revenue is recognized on a straight-line basis over the period during which the rights are granted or may be recognized on the basis of a percentage of sales as defined in the contract. When the license agreements provide, in addition to royalties, for payments of advances or interim invoices for the financing of the developments implemented to respond to the specific needs of a customer, these are recorded as earnings over the foreseeable duration of the use by the customer of the transferred technology.

S. Gross profit

Gross margin represents "income from ordinary activities" less the total cost of sales. Cost of sales includes the cost of resources used in the production of goods sold (raw materials, consumables, employee-related costs, depreciation and amortization, energy and fluids).

T. Sales and marketing expenses

Sales and marketing expenses comprise costs incurred by the Sales & Business Development and the Strategic Marketing Departments. They primarily consist of employee-related costs and expenses relating to trade fairs, consulting and travel.

U. R&D expenses

This item includes costs that do not meet the criteria for capitalization as defined in note C. "Intangible assets". These costs are net of prototype sales made as part of the R&D activity, any research tax credits and grants recognized in profit or loss for the period.

Subsidies received (for which financing agreements have been signed and administrative authorizations obtained) are recorded as deferred income in the balance sheet (if they relate to projects meeting IAS 38 criteria). Grants are invoiced to the relevant bodies following project reviews, based on the milestones set out in the grant agreements.

If they do not pertain to capitalized projects, the subsidies are recognized immediately in profit or loss based on the progress of the projects in question.

Support for R&D activities may also take the form of repayable advances. These advances are recorded as financial liabilities in the balance sheet if the related projects meet the criteria for capitalization as R&D costs or if it is likely that the advance will be repaid. If the criteria are not met, redeemable advances are treated in the same way as subsidies received.

V. General and administrative expenses

General and administrative expenses comprise costs incurred by support functions less the portion allocated to production costs. These support functions include General Management, finance, human resources, legal, communications, quality and IT.

W. Other operating income and expenses

This item shows the effects of major events occurring during the accounting period that are liable to skew analyses of our Group's recurring performance. This includes a limited number of income and expenses of unusual character, infrequent occurrence and significant amount. It includes non-recurring restructuring costs, impairment losses charged against non-current assets and goodwill, and transaction costs related to acquisitions of equity interests.

X. Financial income/(expense)

Financial income/(expense) comprises the cost or income of debt, dividends received from non-consolidated subsidiaries, changes in the fair value of financial assets excluding cash and derivatives not eligible for hedge accounting, gains and losses on the disposal of financial assets excluding cash, gains and losses on discounting and foreign exchange gains and losses on items not included in net debt.

Y. Income tax and deferred taxes

Income tax expense represents the sum of income tax due by our Group's companies and deferred taxes. Income tax is recognized in profit and loss except where it relates to items recognized in other items of comprehensive income. Then, it is also recognized in other items of comprehensive income.

Deferred tax is accounted for using the balance sheet approach. The amount of tax expense calculated is influenced by the change in the receivable or liability due to the change in the income tax rate from one year to the next (liability method of tax allocation).

For leases, our Group initially recognizes deferred tax on the net amount of any positive and negative temporary differences resulting from the initial recognition of the lease, and recognizes any subsequent changes in profit or loss.

A deferred tax asset is recognized when the following conditions are met:

- the entity has sufficient taxable temporary differences involving the same taxation authority and the same taxable entity or tax group, which will result in taxable amounts against which the unused tax credits or tax losses may be utilized before they expire;
- it is probable that the entity will generate taxable income before the unused tax credits or tax losses expire.

No deferred tax asset is recognized to the extent that it is unlikely that the entity will post taxable income against which the unused tax credits or tax losses can be utilized.

Z. Earnings per share

Earnings per share are calculated based on the weighted average number of shares depending on the date of issuance of shares during the fiscal year, less any treasury shares held. Diluted earnings per share are calculated using the treasury stock method, which adds to the denominator the number of shares that would result from dilutive instruments (options), less the number of shares that may be bought back at market price using the funds raised from exercising the relevant instruments. The number of shares used to compute diluted earnings per share takes into account the weighted average number of ordinary shares outstanding during the period, adjusted for the impact of the potential ordinary shares that could result from the exercise of options, share warrants and other financial instruments that may be converted into ordinary shares, where their impact is dilutive.

Dilutive instruments are not taken into account in the calculation of diluted earnings per share when they lead to a reduction in the loss per share based on the average number of shares outstanding.

AA. Discontinued operations

A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively for resale.

The discontinued operation classification must be used as soon as the operation has been sold or the business meets the conditions to be classified as held for sale.

The discontinued operation classification results in the separate presentation of "Net income/(loss) from discontinued operations" in the income statement.

This line comprises the following items:

- income generated by the discontinued operation as well as any expenses directly attributable to the operation, net of income tax, for the entire period presented;
- any impairment losses recognized when evaluating the assets and liabilities identified as held for sale in accordance with IFRS 5;

- any gain or loss on disposal when these assets and liabilities are effectively derecognized.

The net cash flows attributable to operating, investing and financing activities of discontinued operations are calculated as the difference between these aggregate amounts and the amounts of continuing operations in the statement of cash flows and separately in the notes to the financial statements.

Our Group is continuing to sell the remaining assets of the Solar Energy business. Since the criteria set out in IFRS 5 are met, the net income/(loss) from the discontinued operations are therefore shown separately within "net profit/(loss) from discontinued operations" in the income statement. The share of income/(loss) of equity-accounted companies, which concerns assets held for sale in the Solar Energy business segment, is also shown within "Net income/(loss) from discontinued operations".

NOTE 3. NOTES TO THE BALANCE SHEET

3.1 Segment reporting

As discussed in "Overview of our Company and business", our Group has two business segments:

- production and sale of substrates and components for the semiconductor industry ("Electronics");
- other discontinued operations of our Group (Other Activities). These consist mainly of the Solar Energy business (operation and maintenance of photovoltaic installations).

EBITDA presented in the segment analysis table represents operating income (EBIT) before depreciation, amortization, impairment, non-monetary items related to share-based payments, and changes in provisions on current assets and provisions for risks and contingencies, and excluding any profit or loss from asset disposals. The impact in equity of the first-time application of IFRS 15 is included in EBITDA.

This indicator is a non-IFRS quantitative measure used to measure our Company's ability to generate cash from its operating activities. EBITDA is not defined by an IFRS standard and should not be considered an alternative to any other financial indicator.

Key segment information is presented below:

› Breakdown of the consolidated income statement

	March 31, 2019			March 31, 2018		
(in € thousand)	Electronics	Other Activities	Total	Electronics	Other Activities	Total
Sales	**443,946**		**443,946**	**310,631**		**310,631**
Gross profit	**165,029**		**165,029**	**106,871**		**106,871**
Gross R&D costs	*(51,279)*		*(51,279)*	*(43,879)*		*(43,879)*
Sales of prototypes and other income	*9,236*		*9,236*	*8,772*		*8,772*
Grants and repayable advances	*22,026*		*22,026*	*26,877*		*26,877*
Net R&D costs	(20,017)		(20,017)	(8,230)		(8,230)
Sales and marketing expenses	(9,792)		(9,792)	(7,750)		(7,750)
General and administrative expenses	(26,815)		(26,815)	(23,492)		(23,492)
Current operating income/(loss)	**108,405**		**108,405**	**67,398**		**67,398**
Other operating income	*566*		*566*	*4,299*		*4,299*
Other operating expenses	*(106)*		*(106)*	*(222)*		*(222)*
Other operating income and expenses	460		460	4,077		4,077
Operating income (EBIT)	**108,865**		**108,865**	**71,475**		**71,475**
Depreciation	24,597		24,597	18,648		18,648
Impairment of non-current assets and accelerated depreciation/amortization	414		414	(3,273)		(3,273)
Share-based payments	17,957		17,957	3,970		3,970
Provisions, net	(53)		(53)	(1,018)		(1,018)
Provision for retirement benefit obligations	685		685	847		847
Gains/(losses) on disposals of assets	(556)		(556)	(3)		(3)
IFRS 15 first-time adoption	379		379			-
EBITDA from discontinued operations		(2,510)	(2,510)		(2,681)	(2,681)
EBITDA	**152,288**	**(2,510)**	**149,778**	**90,646**	**(2,681)**	**87,965**

› Breakdown of the balance sheet

	March 31, 2019			March 31, 2018		
(in € thousand)	Electronics	Other Activities	Total	Electronics	Other Activities	Total
Intangible assets, net	38,479		38,479	8,179		8,179
of which goodwill	*8,471*		*8,471*	*1,402*		*1,402*
Property, plant and equipment, net	253,593		253,593	134,343		134,343
Non-current financial assets	11,018		11,018	9,114		9,114
Other non-current assets	44,351		44,351	44,914		44,914
Non-current assets (1)	**347,441**		**347,441**	**196,550**		**196,550**
Inventories	72,333		72,333	39,952		39,952
Trade receivables	139,344		139,344	56,823		56,823
Current financial assets	255		255	12,787		12,787
Other current assets	45,601		45,601	10,672		10,672
Current assets (2)	**257,533**		**257,533**	**120,234**		**120,234**
Trade payables and related accounts	62,239		62,239	42,427		42,427
Other current and non-current liabilities	134,027		134,027	68,255		68,255
Current and non-current liabilities (3)	**196,266**		**196,266**	**110,682**		**110,682**
Assets held for sale (a)		16,697	16,697		23,964	23,964
Liabilities directly related to assets held for sale (b)		(6,173)	(6,173)		(12,187)	(12,187)
Net assets held for sale (4 = a + b)		**10,524**	**10,524**		**11,777**	**11,777**
CAPITAL EMPLOYED (1) + (2) - (3) + (4)	**408,708**	**10,524**	**419,232**	**206,102**	**11,777**	**217,879**

Current and non-current financial assets and other non-current assets were included in the breakdown of the segment balance sheet at March 31, 2019 and March 31, 2018.

› Breakdown of revenue

Revenue by segment and product type breaks down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Electronics – 300 mm SOI	205,671	106,300
Electronics small diameters	220,991	192,413
Royalties	17,284	11,918
Total Electronics	*443,946*	*310,631*
TOTAL REVENUE	**443,946**	**310,631**

Revenue at March 31, 2019 included €10,472 thousand from Dolphin Design, which was consolidated in August 2018.

3.2 Intangible assets

Intangible assets break down as follows:

(in € thousand)	Gross values	Accumulated amortization	Provision for impairment	Net value
Goodwill – Electronics segment	14,697	-	(13,295)	1,402
Concessions, patents and other rights	5,511	(5,494)	-	17
Software	54,386	(52,827)	-	1,559
Intangible assets in progress	5,437	-	(236)	5,201
MARCH 31, 2018	**80,031**	**(58,321)**	**(13,531)**	**8,179**
Goodwill – Electronics segment	21,766	-	(13,295)	8,471
Concessions, patents and other rights	5,583	(5,583)	-	-
Software	63,017	(56,333)	-	6,684
Other intangible assets	1,900	(217)	-	1,683
Intangible assets in progress	21,880	-	(239)	21,641
MARCH 31, 2019	**114,146**	**(62,133)**	**(13,534)**	**38,479**

In the year to March 31, 2019, changes in the net value of each asset category break down were as follows:

(in € thousand)	*Goodwill*	Capitalized development projects	Concessions, patents and other rights	Software	Other intangible assets	Intangible assets in progress	Total
MARCH 31, 2017	**-**	**1,484**	**548**	**1,047**	**-**	**929**	**4,008**
Assets put into service	-	-	-	1,313	-	(1,313)	-
Acquisitions	-	-	-	-	-	5,818	5,818
Change in scope	1,402	-	-	-	-	-	1,402
Currency translation adjustments	-	-	-	-	-	(26)	(26)
Depreciation (expense for the period)	-	(1,484)	(531)	(801)	-	-	(2,816)
Accelerated depreciation and impairment	-	-	-	-	-	(207)	-207
MARCH 31, 2018	**1,402**	**0**	**17**	**1,559**	**0**	**5,201**	**8,179**
Assets put into service	-	-	-	4,846	-	(4,846)	-
Acquisitions	-	-	-	402	-	21,223	21,625
Change in scope	7,069	-	-	2,017	1,900	-	10,986
Currency translation adjustments	-	-	-	63	-	65	128
Depreciation (expense for the period)	-	-	(17)	(2,205)	(217)	-	(2,439)
MARCH 31, 2019	**8,471**	**-**	**0**	**6,682**	**1,683**	**21,643**	**38,479**

At March 31, 2019, intangible assets in progress included €16,713 thousand in capitalized development projects, including €13,427 thousand capitalized over the fiscal year. The remaining part concerned software purchases.

Most of the software for €4,846 thousand installed over the fiscal year was production management software at the Pasir Ris (Singapore) and Bernin (France) facilities.

See note 2.4 "Highlights of the year" for details relating to the Dolphin Design's acquisition of assets and certain liabilities of Dolphin Integration. Goodwill from the acquisition of Dolphin Design mostly relates to employee know-how and technical expertise as well as expected business synergies with our Group. It was calculated as follows:

(in € thousand)	
Consideration (A)	7,869
Fair value of identifiable net assets (B)	800
***GOODWILL* (A)-(B)**	**7,069**

The consideration of €7,869 thousand comprises:

- cash paid of €200 thousand;
- the fair value of the repurchase commitment given to MBDA at the acquisition date for €7,669 thousand (discounted at 1.48%).

The table below shows net identifiable assets at the acquisition date:

(in € thousand)	Carrying amount	Adjusted for fair value	Fair value at acquisition
Tangible fixed assets	346	-	346
Intangible assets	2,017	1,900	3,917
Cash and cash equivalents*	2,045	-	2,045
Provision for retirement benefit obligations	-	(930)	(930)
Deferred taxes	-	(334)	(334)
Trade and other payables	(4,244)	-	(4,244)
TOTAL IDENTIFIABLE NET ASSETS ACQUIRED	**164**	**636**	**800**

* *Of which €45 thousand from Dolphin Design and its subsidiaries and €2,000 thousand contributed by MBDA.*

The intangible assets identified at acquisition were:

- a customer relationship for €400 thousand (based on existing customers at the acquisition date) valued using the excess earnings method. This customer relationship will be amortized over seven years;
- a technology for €1,500 thousand valued using the replacement cost method. It will be amortized over five years;
- these valuations used a discount rate of 19%.

The goodwill was allocated to the "Integrated circuits design" CGU.

Incidental costs relating to the acquisition were €261 thousand. They are recognized under the "General and administrative expenses" line item in the income statement.

Dolphin Design's contribution to our Group's consolidated financial statements at March 31, 2019, was as follows:

- revenue: €10,521 thousand;
- EBITDA: €972 thousand;
- operating cash used: €3,230 thousand.

We do not consider it relevant to report the information based on a complete fiscal year (as though the acquisition occurred at April 1, 2018) because the production volume before the acquisition date was deemed non-representative given the significant financial difficulties faced by Dolphin Intégration.

3.3 Property, plant and equipment

Property, plant and equipment break down as follows:

(in € thousand)	Gross values	Accumulated amortization	Provision for impairment	Net values
Buildings*	236,929	(167,139)	(41)	69,749
Equipment and tooling*	414,300	(358,744)	(14,392)	41,164
Other property, plant and equipment*	11,901	(11,288)	-	613
Property, plant and equipment in progress	25,699	-	(2,882)	22,817
MARCH 31, 2018	**688,829**	**(537,171)**	**(17,315)**	**134,343**
Buildings*	264,682	(181,095)	(38)	83,549
Equipment and tooling*	453,334	(359,844)	(11,222)	82,268
Other property, plant and equipment*	15,196	(12,262)	-	2,934
Property, plant and equipment in progress	88,137	-	(3,295)	84,842
MARCH 31, 2019	**821,349**	**(553,201)**	**(14,555)**	**253,593**
Of which property, plant and equipment related to leases pursuant to IFRS 16	44,351	(4,062)	(3,188)	37,101

* *Of which assets under lease contracts:*

(in € thousand)	Gross values	Accumulated amortization	Provision for impairment	Net values
Buildings	3,178	(975)	-	2,203
Equipment and tooling	46,390	(33,197)	(4,582)	8,611
Other property, plant and equipment	43	(40)	-	3
MARCH 31, 2018	**49,611**	**(34,212)**	**(4,582)**	**10,817**
Buildings	10,469	(1,980)	-	8,489
Equipment and tooling	21,187	(1,779)	(3,188)	16,220
Other property, plant and equipment	691	(303)	-	388
property, plant and equipment in progress	12,004	-	-	12,004
MARCH 31, 2019	**44,351**	**(4,062)**	**(3,188)**	**37,101**

In the year to March 31, 2019, changes in the net value by category of property, plant and equipment break down as follows:

(in € thousand)	Buildings	Equipment and tooling	Other	Property, plant and equipment in progress	Total
MARCH 31, 2017	**76,442**	**29,338**	**371**	**7,323**	**113,474**
Assets put into service	2,642	18,859	501	(22,002)	-
Acquisitions	-	-	-	38,152	38,152
Change in scope	-	68	4	-	72
Currency translation adjustments	(4,439)	(47)	(2)	(514)	(5,002)
Depreciation (expense for the period)	(8,039)	(7,532)	(261)	-	(15,832)
Impairment and accelerated depreciation*	3,143	478	-	(142)	3,479
MARCH 31, 2018	**69,749**	**41,164**	**613**	**22,817**	**134,343**
Assets put into service	13,994	49,999	1,677	(65,670)	-
Acquisitions	-	-	355	103,971	104,326
Change in scope	-	-	328	-	328
Leased assets (IFRS 16)	6,967	3,311	587	22,061	32,926
Reclassification between categories and other changes	(685)	(104)	299	789	229
Currency translation adjustments	2,939	553	17	1,987	5,496
Depreciation (expense for the period)	(8,630)	(12,763)	(764)	-	(22,157)
Impairment and accelerated depreciation*	-	-	-	(414)	(414)
Disposals or retirements (net value)	(785)	-	-	(699)	(1,484)
MARCH 31, 2019	**83,549**	**82,160**	**3,042**	**84,842**	**253,593**

* *The major part of these amounts consists of reversals of provisions for impairment recognized in the income statement under "Other operating income" (see note 4.4.).*

Acquisitions mostly pertained to industrial investments for the Bernin and Pasir-Ris facilities.

Impact of 1st time application of IFRS 16

Leases previously qualified as operating leases and restated within the application of IFRS 16 have been recorded in the balance sheet as follows:

(in € thousand)	Buildings	Other fixed assets	Total
Net carrying amount at the transition date (April 1, 2018)	4,372	522	4,894
Increase in rights-of-use	2,595	65	2,660
Depreciation of rights-of-use	(904)	(240)	(1,144)
Foreign exchange gains/(losses)	10	-	10
NET CARRYING AMOUNT OF RIGHTS-OF-USE AT MARCH 31, 2019	**6,073**	**347**	**6,420**

3.4 Value of non-current assets

Impairment testing

The Singapore plant was built in order to increase 300 mm-wafer production capacity. Due to the downturn in demand, production of 300 mm wafers had been transferred to the Bernin plant in September 2013, and the Singapore clean room has since been dormant. Pursuant to IAS 36, at December 31, 2015, the Company re-appraised the market value of its asset and, at the same time, determined its value in use on the basis of its business plan. As a result of this test, our Group had recognized an impairment loss of €20 million in fiscal year 2015-2016. The reopening of the Singapore site, announced in September 2017, and the updated value in use at March 31, 2019 (based on our Group's business plan which confirms the need to expand capacity to produce 300 mm wafers) confirms that no additional impairment charge should be recognized as of March 31, 2019.

3.5 Non-current financial assets

Non-current financial assets break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Financial assets – Investments	11,698	8,498
Loans	180	180
Deposits and guarantees	4	3
Restricted cash	-	-
Derivative financial instruments (positive fair value)	-	1,512
Gross value	**11,882**	**10,193**
Financial assets – Investments	(684)	(900)
Loans	(180)	(180)
Other financial assets	-	-
Provision for impairment	**(864)**	**(1,080)**
NON-CURRENT FINANCIAL ASSETS, NET	**11,018**	**9,113**

At March 31, 2018, derivative financial instruments presented as non-current expired after March 31, 2019.

At March 31, 2019, derivative financial instruments are mainly presented under liabilities.

"Financial assets – Investments" break down as follows:

	March 31, 2019			March 31, 2018		
(in € thousand)	Gross value	Provisions	% held	Gross value	Provisions	% held
Cissoïd	340	(340)	0.19%	340	(340)	0.36%
Exagan (1)	1,438	-	15.24%	906	-	15.32%
Shanghai Simgui Technology Co. Ltd. (2)	4,441	-	2.70%	4,441	-	2.69%
Ceotis Éclairage (3)	-	-	0%	281	(281)	30.00%
Technocom (4)	2,175	(344)	8.00%	2,025	(279)	8.00%
Greenwaves Technologies (5)	3,299	-	16.58%	500	-	5.88%
Other	5	-	-	5	-	-
TOTAL FINANCIAL ASSETS – INVESTMENTS	**11,698**	**(684)**	**-**	**8,498**	**(900)**	**-**

(1) Our Company increased its stake in Exagan by €532 thousand, keeping it slightly above 15%. This Investment is not provided for.
(2) Our Group's investment in China-based Shanghai Simgui Technology Co. Ltd. amounting to €4,441 thousand was acquired as part of a partnership to develop production capacity of 200 mm SOI wafers. No impairment loss was identified at March 31, 2019.
(3) Our Company sold its 30% stake in Ceotis Éclairage, as it discontinued its lighting business, for a symbolic amount. This had no impact on the income statement as the shares were fully provided for at March 31, 2018.
(4) Our Company increased its investment in Technocom by €150 thousand, and conserves an 8% stake. A provision for impairment corresponding to 16% of the value has been booked for the investment.
(5) Our Company increased its stake in Greenwaves Technologies by €2,799 thousand over the period, subscribing to a capital increase of €800 thousand in July 2018 and €2,000 thousand in December 2018 (preferred shares). At March 31, 2019, we owned 16.58% of the firm.

3.6 Other non-current assets

Other non-current assets break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Tax receivables	42,516	42,557
Prepayments on orders of non-current assets	1,170	2,023
Deposits and guarantees	463	334
Other assets	202	-
Gross value	44,351	44,914
OTHER NON-CURRENT ASSETS, NET	**44,351**	**44,914**

The tax receivable of €42,5 million at March 31, 2019 mostly represents:

- the non-current portion of the research tax credit for the calendar years 2016, 2017, 2018 and Q1 2019, for €40.5 million (€39.1 million at March 31, 2018);
- the non-current portion of the French job competitiveness tax credit (CICE) for the calendar years 2016, 2017 and 2018 for €3.4 million (€3.5 million at March 31, 2018).

The total amount of the research tax credit receivable (current portion and non-current portion) is €52.3 million (€39,4 million at March 31, 2018).

3.7 Inventories

Inventories break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Raw materials	40,033	25,292
Work-in-progress	13,098	11,595
Finished products and goods	25,777	9,278
Gross value	**78,908**	**46,165**
Provisions for depreciation	(6,575)	(6,212)
INVENTORIES, NET	**72,333**	**39,952**

3.8 Trade receivables

Trade receivables break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Trade receivables, gross	139,731	57,380
Provisions for impairment	(387)	(557)
TRADE RECEIVABLES, NET	**139,344**	**56,823**

Changes in the provision for impairment of trade receivables break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Provision for impairment at beginning of period	(556)	(554)
Expense for the period	-	(11)
Reversals of utilized provisions: bad debts	-	-
Reversals of unutilized provisions	177	2
Currency translation adjustment	(8)	12
Change in scope	-	(6)
PROVISION FOR IMPAIRMENT AT END OF PERIOD	**(387)**	**(557)**

At March 31, 2019, the aged analysis of receivables is as follows:

(in € thousand)	Total trade receivables	Not due	Less than 30 days past due	30 to 60 days past due	60 to 90 days past due	More than 90 days past due
Gross value	139,731	131,425	2,219	2,340	2,620	1,127
Provision for impairment	(387)	-	-	-	-	(387)
Net value at March 31, 2019	**139,344**	**131,425**	**2,219**	**2,340**	**2,620**	**740**
Gross value	57,380	53,317	1,924	1,317	148	674
Provision for impairment	(557)	(10)	-	-	-	(547)
Net value at March 31, 2018	**56,823**	**53,307**	**1,924**	**1,317**	**148**	**127**

3.9 Other current assets

Other current assets break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Tax and social security receivables	22,425	2,558
Prepaid expenses	875	716
Subsidies receivable	19,561	4,972
Advances, goods paid for on order	980	1,086
Deposits and guarantees	39	38
Other	1,721	1,301
Gross value	**45,601**	**10,671**
Provisions for depreciation	-	-
CURRENT ASSETS, NET	**45,601**	**10,671**

- at March 31, 2019, tax receivables included a research tax credit amounting to €11.9 million for the 2015 calendar year (vs. €1.3 million at March 31, 2018 for the 2014 calendar year) ;
- operating subsidies receivable are as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Operating subsidies receivable at beginning of period	4,972	4,137
Received during the period	(5,914)	(6,557)
Recognized in income statement	20,267	7,392
Currency translation adjustment	236	-
Operating subsidies receivable at end of period	**19,561**	**4,972**

The subsidies receivable concern primarily the "Nano 2022" (€6,315 thousand) and "Waytogofast" (€1,312 thousand) programmes for Soitec S.A. as well as programmes financed by the Economic development Board of Singapore (€8,900 thousand) for Singapore.

3.10 Current financial assets

These break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Loans	34	34
Accrued interest	102	34
Prepaid expenses	65	95
Derivative financial instruments (positive fair value)	52	12,614
Other	2	10
Gross value	**255**	**12,787**
Provisions for depreciation	-	-
CURRENT FINANCIAL ASSETS, NET	**255**	**12,787**

At March 31, 2018, derivative financial instruments presented in current financial assets consisted of vanilla options and forward sales contracts with maturity dates on or before March 31, 2019.

3.11 Cash and cash equivalents

Cash and cash equivalents break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Cash	130,304	79,957
Cash equivalents	45,004	40,000
TOTAL CASH AND CASH EQUIVALENTS	**175,308**	**119,957**

Cash at bank is principally denominated in Euros (80% of the total) and in US dollars (17% of the total).

Cash includes cash held in interest-bearing accounts and cash equivalents are deposits available without notice.

In order to determine whether an investment is eligible to be classified as a cash equivalent, our Group complies with the AMF guidance issued on May 3, 2011 relative to the classification of UCITS money-market funds as cash equivalents in accordance with IAS 7.

3.12 Assets and liabilities held for sale

Following the decision to withdraw from the Solar Energy sector, our Group shut down all its production and R&D activities in San Diego (US) and Freiburg (Germany) and continued to sell off its remaining assets. These remaining held for sale assets include the financial assets related to the solar power plant in South Africa: the equity-accounted investments in CPV Power Plant no. 1 and CPV Power Plant no. 1 Bond SPV (20% interest), and the financing (principal and interest) provided to one of the shareholders of the Touwsrivier plant, for which our Group believes that the highly probable sale criterion within 12 months has been met.

The remaining assets and liabilities are presented below:

	Assets and liabilities held for sale	
(in € thousand)	**March 31, 2019**	**March 31, 2018**
Solar power plant projects	-	-
Equity-accounted companies	5,250	7,684
Non-current financial assets	11,313	12,584
Other non-current assets	6	6
Non-current assets	**16,569**	**20,274**
Inventories	-	-
Trade receivables	11	143
Other current assets	34	1,363
Current financial assets	83	2,184
Current assets	**128**	**3,690**
TOTAL ASSETS (1)	**16,697**	**23,964**
Long-term financial debt	-	-
Provisions and other non-current liabilities	-	-
Non-current liabilities	**-**	**-**
Short-term financial debt	-	1,977
Trade payables and related accounts	365	384
Provisions and other current liabilities	5,808	9,826
Current liabilities	**6,173**	**12,187**
TOTAL LIABILITIES (2)	**6,173**	**12,187**
NET ASSETS (1) – (2)	**10,524**	**11,777**

The assets and liabilities held for sale relating to the Touwsrivier solar power plant in South Africa at March 31, 2019 comprise:

- the 20% stake in CPV Power Plant no. 1 (Touwsrivier) and its subsidiary CPV Power Plant no. 1 Bond SPV. The investments were measured at fair value (€5,250 thousand at March 31, 2019 compared with €7,684 thousand at March 31, 2018);
- a receivable in the amount of €11,313 thousand at March 31, 2019 (compared with €12,584 thousand at March 31, 2018);
- the remaining assets and liabilities comprise "Provisions and other liabilities", which consist primarily of the provisions detailed below for €5,774 thousand. At March 31, 2018, this item consisted of provisions for €8,564 thousand and a tax liability of €1,126 thousand relating to the South African subsidiaries;

the provisions are related to operations that have been discontinued or sold and the commitments underlying these cessations or sales of operations:

(in € thousand)	March 31, 2018	Expense for the period	Reversals (utilized)	Reversals (not utilized)	Currency translation adjustment	Reclassifications	March 31, 2019
• Employee departure plan	3	-	-	-	-	-	3
• Cost of cessation of operations	332	-	-	-	-	-	332
Bernin site	**335**	**-**	**-**	**-**	**-**	**-**	**335**
• Employee departures	74	26	-	(100)	-	-	-
• Dismantling of solar power plants (excl. US) & compensation	4,469	-	(113)	(376)	-	-	3,980
• Cost of cessation of operations	2,047	-	(378)	(1,116)	-	-	553
Freiburg site	**6,590**	**26**	**(491)**	**(1,592)**	**-**	**-**	**4,533**
• Cost of cessation of operations	1,061	78	(660)	(155)	59	-	383
• Employee departures	-	205	-	(205)	-	-	-
• Dismantling of solar power plants located in the United States & compensation	174	89	(84)	(23)	11	-	167
San Diego site	**1,235**	**372**	**(744)**	**(383)**	**70**	**-**	**550**
• Cost of cessation of operations	404	100	(102)	-	(45)	-	357
South African site	**404**	**100**	**(102)**	**-**	**(45)**	**-**	**357**
TOTAL	**8,564**	**498**	**(1,337)**	**(1,975)**	**25**	**-**	**5,775**

The cost of cessation of operations has been estimated essentially on the basis of forecasts of the maintenance expenses to be incurred prior to selling or extinguishing the current commitments.

The provisions for compensation are based on management best estimates about contract-based risks to spend resources on the ongoing litigations.

Our Group continued the cessation of its activities and the divestment of its remaining assets in the Solar Energy segment: preparation and restructuring work of the legal entities for the sale to a third party of the remaining financial assets related to Touwsrivier solar power plant in South Africa. With the progress of steps taken with a view to selling these assets held for sale, a transaction may be concluded within the next twelve months.

3.13 Issued capital and reserves

Share capital and share premiums

At March 31, 2019, the number of our Company shares outstanding was 31,636,932. These are ordinary shares with a par value of €2.00 each and preferred shares with a par value of €0.10 each.

(in number of shares)	March 31, 2019	March 31, 2018
Ordinary shares with a par value of €2.00	31,367,567	31,367,567
Preferred shares with a par value of €0.10	269,365	269,365
TOTAL	**31,636,932**	**31,636,932**

No changes to the share capital were made in fiscal year 2018-2019.

The following changes to the share capital were made in fiscal year 2017-2018:

Date	Type of transaction	Ordinary shares issued and fully paid up *(in number of shares)*	Share capital	Share premium
			Increase (decrease) *(in € thousand)*	
MARCH 31, 2017		**30,311,510**	**60,623**	**887,516**
July 26, 2017	Allocation of preferred shares	236,157	24	-
August 8, 2017	Issue of shares following the conversion of OCÉANE bonds	1,056,057	2,112	38,786
December 6, 2017	Allocation of preferred shares	3,798	-	-
March 23, 2018	Allocation of the negative carryforwards of the Company to share premiums	-	-	(865,102)
March 30, 2018	Allocation of preferred shares	29,410	3	-
MARCH 31, 2018		**31,636,932**	**62,762**	**61,200**

Treasury shares

At March 31, 2019, the Company held 5,077 treasury shares.

	March 31, 2019	March 31, 2018
Number of treasury shares	5,077	5,077
Gross value *(in € thousand)*	432	432
Unrealized capital gain/(loss) *(in € thousand)*	(73)	(111)

The cost of these treasury shares along with gains or losses on disposal are deducted from equity.

Other reserves

(in € thousand)	Revaluation differences	Actuarial gains/(losses) on retirement benefit obligations	Changes in fair value of foreign exchange hedging	Deferred taxes	Gains/(losses) on disposals of treasury shares	Other changes	Currency translation adjustment	First-time adoption of IFRS 15	Total
March 31, 2017	**485**	**(3,599)**	**1,031**	**-**	**1,023**	**(16,148)**	**24,710**	**-**	**7,502**
Changes in the period	-	(31)	6,276	-	(22)	44	(7,444)		(1,177)
March 31, 2018	**485**	**(3,630)**	**7,307**	**-**	**1,001**	**(16,104)**	**17,266**	**-**	**6,325**
Changes in the period	(485)	(1,759)	(7,306)	772	-	-	6,880	375	(1,523)
MARCH 31, 2019	**-**	**(5,389)**	**1**	**772**	**1,001**	**(16,104)**	**24,146**	**375**	**4,802**

Actuarial gains and losses on defined benefit plans are recorded in other items of comprehensive income against the provision for retirement benefit obligations.

The currency translation adjustment reserve includes all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as the foreign exchange differences arising from the conversion of monetary items forming part of a net investment in a foreign operation.

Dividends

Our Board of Directors will ask the Shareholders' General Meeting of July 26, 2019 to transfer earnings to the reserves and retained earnings and not distribute a dividend.

3.14 Share-based payment

Impact of share-based payments on the consolidated income statement

FREE PREFERENCE SHARES ALLOCATION PLAN

Following our Board of Directors' decision on July 26, 2018 to establish a long-term management incentive plan, contingent rights to preferred shares were granted during fiscal year 2016-2017 to eligible employees and corporate officers. Through these contingent rights, 269,365 preferred shares vested in fiscal year 2017-2018 and 26,338 preferred shares will vest in 2019-2020. Under the plan, preferred shares will be converted into ordinary shares subject to continued employment and performance conditions based on (i) a target share price and (ii) internal performance criteria based on achieving a target EBITDA for fiscal year 2017-2018 and fiscal year 2018-2019.

The expense recognized in the income statement for the free preferred share plan in the year ended March 31, 2019 was €7,507 thousand, including the corporate contribution (compared with income of €3,924 thousand for the year ended March 31, 2018).

FREE SHARES ALLOCATION PLANS FOR OUR EMPLOYEES

Plans dated March 28, 2018

Our Board of Directors of March 28, 2018 decided to set up two free ordinary share allocation plans for all Group employees to recognize and reward their efforts in creating value. Under the plans, subject to continued employment and length of service conditions, 187,749 ordinary shares in total were allocated to employees for their loyalty and contribution to efforts made in recent years, or about 0.6% of our Company's share capital at that date.

The ordinary shares thus allocated will be effectively and definitively acquired by beneficiaries subject to presence as employees of our Company on the first working day following March 28, 2020.

Plans dated July 26, 2018

Our Board of Directors of July 26, 2018 decided to set up two other free ordinary share allocation plans. They are meant for all employees of our Company and its subsidiaries and are intended to involve them in achieving our Group's growth objectives.

Under the plans, subject to continued employment, length of service and performance conditions, 308,263 ordinary shares in total were allocated to employees, or about 1.1% of our Company's share capital at that date, divided as follows:

- 270,655 ordinary shares allocated to employees of our Company and its French subsidiary Frec|n|sys, or about 0.98% of the share capital;
- 37,608 ordinary shares allocated to foreign subsidiaries of our Company in the USA, Singapore, Japan, South Korea and Taiwan, or about 0.12% of the share capital.

Subject to the achievement of all the conditions fixed by the rules of these two plans, the ordinary shares thus allocated will be effectively and definitively acquired by beneficiaries on the first working day following July 26, 2021.

The expense recognized in the income statement for the three free share allocation plans for our employees in the year ended March 31, 2019 was €12,365 thousand, including social security contributions.

Share-based payments

Free shares: the table below shows to what extent the authorization adopted by the Shareholders' General Meeting of March 23, 2018 to allocate free shares was implemented during the current fiscal year:

Date of Shareholders' General Meeting	**3/23/2018**	**3/23/2018**	**3/23/2018**
Date of Board of Directors' meeting	3/28/2018	3/28/2018	7/26/2018
Number of shares	**125,188**	**62,561**	**344,981**
Of which number of shares for corporate officers	-	-	
Of which number of shares for the top ten employee recipients	*1,380*	*910*	
Beneficiaries number	970	704	1,088
Vesting period	from 3/28/2018 to 3/28/2020	from 3/28/2018 to 3/28/2020	From 7/26/2018 to 7/26/2021
Holding period	n/a	n/a	n/a
Number of shares vested	**-**	**-**	**-**
Number of shares remaining	**115,049**	**62,106**	**308,263**

Preferred shares: the table below shows to what extent the authorizations adopted by the Shareholders' General Meetings of April 11 and April 29, 2016 relative to the allocation of free preferred shares were implemented:

Date of Shareholders' General Meeting	**4/11&29/2016**	**4/11&29/2016**	**4/11&29/2016**	**4/11&29/2016**	**4/11&29/2016**	**4/11&29/2016**
Date of Board of Directors' meeting	7/26/2016	12/06/2016	3/30/2017	7/26/2016	12/06/2016	3/30/2017
Number of preferred shares (PS) allocated	**236,157**	**3,798**	**29,410**	**20,639**	**2,832**	**2,867**
Of which number of preferred shares for corporate officers	*44,947*					
Beneficiaries number	18	2	9	3	1	1
Date of contingent allocation of PS	7/26/2016	12/06/2016	3/30/2017	7/26/2016	12/06/2016	3/30/2017
Date of definitive allocation of PS	7/26/2017	12/06/2017	3/30/2018	7/26/2019	12/06/2019	3/30/2020
Date of conversion into ordinary shares (OS)	7/26/2019	12/06/2019	3/30/2020	7/26/2019	12/06/2019	3/30/2020
Maximum ordinary share conversion ratio	5 OS for 1 PS	5 OS for 1 PS	5 OS for 1 PS	5 OS for 1 PS	5 OS for 1 PS	5 OS for 1 PS

No preferred shares were allocated in fiscal year 2018-2019.

3.15 Loans and financial debts

Borrowings and debt break down as follows:

(in € thousand)	Effective interest rate *(in %)*	Currency	Maturity	March 31, 2019	March 31, 2018
Current					
Leases (IFRS 16)					
Industrial equipment (in EUR)	0.48-0.86%	EUR	2023-2025	6,128	2,155
Other equipment *(in JPY)*	3.48%	JPY	2022	9	-
Leases	0.69-2.69%	EUR	2019-2028	1,000	-
Leases	3.48%	USD	2020	140	-
Leases	3.48%	JPY	2021	85	-
Leases	3.48%	KRW	2020	15	-
Leases	2.69%	Other currency	2020	84	-
Loans					
Bank loan	3.2-5.5%	EUR	2022	40	46
Other					
Redeemable advances	-	EUR	2020	1,161	1,070
Derivative financial instruments	-	EUR	2020	3,348	124
Financial service providers	-	EUR	2019	26	1
Authorized credit line drawn down *(principal, in EUR)*	0.33%	EUR	2020	10,160	8,414
Authorized credit line drawn down *(accrued interest, in EUR)*	0.33%	EUR	2019	9	70
Authorized credit lines drawn down *(in USD)*	-	USD	-	-	6,730
Other financial liabilities	1.63%	EUR	2020	400	-
CURRENT BORROWINGS AND DEBT				**22,605**	**18,610**
Non-current					
Leases (IFRS 16)					
Industrial equipment *(in EUR)*	0.51-0.89%	EUR	2023-2025	24,592	6,573
Other equipment *(in JPY)*	3.48%	JPY	2022	34	-
Leases	0.69-2.69%	EUR	2020-2028	4,993	-
Leases	3.48%	USD	2020	62	-
Leases	3.48%	JPY	2021	95	-
Loans					
Bond: OCÉANE 2023	0.00%	EUR	2023	130,432	-
Bank loan	3.2-5.5%	EUR	2022	108	128
Other					
Redeemable advances	-	EUR	2020-2028	8,917	7,135
Used committed credit lines	0.33-0.80%	EUR	2022	22,220	45,778
Derivative financial instruments	-	EUR	-	-	34
Other financial liabilities	-	EUR	2022	7,725	-
NON-CURRENT DEBT	**-**	**-**	**-**	**199,178**	**59,649**

OCEANE 2023 convertible bonds

See “Issuance of OCEANE 2023 convertible bonds” in note 2.4 “Highlights of the year”.

The change in bonds reflects the subscription for €150 million in OCEANE convertible bonds maturing in 2023 (debt portion at March 31, 2019: €130,432 thousand).

Leases

Our Group signed new equipment finance leases for a total amount of €25,360 thousand bearing interest of 0.48-0.86%.

Bank credit lines

Our Group took out new credit lines amounting to €10,012 thousand at a variable rate of 0.33% in order to secure the research tax credit for 2018 as well as the CICE for 2018.

Our Group also established new bank credit lines worth €35 million with three banks. These credit lines will be amortized on a straight-line basis until March 2024 at the latest. These credit lines bear a commitment fee of 0.20%, and a utilization fee ranging from EURIBOR +0.70% to +0.80% depending on the credit lines. No covenant is attached to them.

Redeemable advances

The debts related to the redeemable advances collected under the Nanosmart and Guépard subsidy programs were recognized based on the best estimate of the reimbursements coming from their business plan (revenue generated by the new products developed under these subsidy programs) after discounting of cash flows.

A significant upward revision of the long-term sales forecasts of FD-SOI and SOI for radiofrequency applications could result in the reclassification as debt of a portion of the redeemable advance received on the basis of the Nanosmart program recorded as profit or loss in previous fiscal years. The theoretical maximum amount that could be reclassified is €8,658 thousand, and the probability of reaching such a level is extremely low.

Similarly, a significant upward revision of the long-term sales forecasts for products for radiofrequency, photonic, and spatial solar applications could result in the reclassification as debt of a portion of the redeemable advance received on the basis of the Guépard program recorded as profit or loss in previous fiscal years. The theoretical maximum amount that could be reclassified is €7,250 thousand, and the probability of reaching such a level is extremely low.

Conversely, if sales forecasts are revised downwards, the maximum amount of advances posted booked as debt in the balance sheet which could be reclassified to profit and loss would be €10,078 thousands.

Other financial liabilities

"Other financial liabilities" relate to MBDA's repurchase commitment on its 40% stake in Dolphin Design. See note 2.4 "Highlights of the year". This liability is measured at fair value.

Borrowings and debt fall due as follows:

(in € thousand)	March 31, 2019 Less than 1 year	1 to 5 years	More than 5 years	Total	March 31, 2018
Leases (IFRS 16)					
Equipment leases	6,137	22,998	1,628	30,763	8,728
Other leases	1,324	4,465	685	6,474	-
Borrowings					
Bond: OCÉANE 2023	-	130,432	-	130,432	-
Bank loan	-	148	-	148	175
Other loans and financial liabilities					
Redeemable advances	1,161	7,146	1,771	10,078	8,205
Financial service providers	26	-	-	26	1
Derivative financial instruments	3,348	-	-	3,348	158
Committed credit line used	10,169	22,221	-	32,390	60,992
Repurchase commitment	-	7,725	-	7,725	-
Other financial liabilities	400	-	-	400	-
TOTAL BORROWINGS AND DEBT	**22,565**	**195,135**	**4,084**	**221,784**	**78,259**

Leases restated under IFRS 16 are recorded under financial liabilities as follows:

(in € thousand)	Net carrying amount of rental liabilities at March 31, 2018	Carrying amount of rental liabilities as at the transition date (April 1, 2018)	Increase in rental liabilities	Reduction in rental liabilities	Foreign exchange gains/(losses)	Net carrying amount of rental liabilities at March 31, 2019
Leases restated under IFRS 16, by category						
Buildings	-	4,388	2,582	(857)	11	6,124
Equipments	8,728	-	23,360	(3,368)	-	30,720
Other fixed assets	-	563	86	(256)	-	393
TOTAL LEASES RESTATED UNDER IFRS 16	**8,728**	**4,951**	**28,028**	**(4,481)**	**11**	**37,237**

3.16 Provisions and other non-current liabilities

Provisions and other non-current liabilities break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Deferred income	8,515	2,005
Deposits and guarantees received	-	59
Other	6	-
Non-current liabilities	**8,521**	**2,064**
Provisions	12,910	9,385
PROVISIONS AND OTHER NON-CURRENT LIABILITIES	**21,431**	**11,449**

At March 31, 2019, deferred income consisted of €1.6 million in royalties to be recognized under income, as well as sales of prototypes and research tax credits relating to capitalized development costs (for €3.9 million and €3 million respectively).

At March 31, 2018, the main item of deferred income related to a licensing agreement entered into in May 2014 concerning radio-frequency applications and power applications (totaling €2.4 million, including €2 million non-current and €0.4 million current).

Provisions for non-current contingencies and expenses were mainly comprised of the €12,910 thousand provision for retirement benefit obligations (€9,385 thousand at March 31, 2018). This amount included a provision of €930 thousand for retirement benefit obligations related to Dolphin Design, consolidated starting August 2018.

Statement of change in provisions

Provisions break down as follows:

(in € thousand)	March 31, 2018	Expense for the period	Reversals (utilized)	Reversals (not utilized)	Currency translation adjustment	Actuarial gains/(losses) recognized in Other items of comprehensive income	Change in scope	March 31, 2019
Current provisions								
Litigation	2,083	298	(253)	(341)	-	-	-	1,787
Restructuring	442	185	(442)	-	-	-	-	185
Total current	**2,525**	**483**	**(695)**	**(341)**	**-**	**-**	**-**	**1,972**
Non-current provisions								
Retirement benefit obligations	9,385	1,077	(9)	(233)	-	1,760	930	12,910
Total non-current	**9,385**	**1,077**	**(9)**	**(233)**	**-**	**1,760**	**930**	**12,910**

The provision for retirement benefit obligations is analyzed in note 5.1.

3.17 Trade payables and related accounts

Trade payables break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
TRADE PAYABLES	**62,239**	**42,427**

3.18 Provisions and other current liabilities

Provisions and other current liabilities break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Prepayments received on customer orders	24,104	1,067
Payable to fixed asset suppliers	21,987	14,572
Tax and social security debts	62,957	37,717
Deferred income	605	404
Other	1,271	521
Other liabilities	**110,624**	**54,281**
Provisions	**1,972**	**2,525**
PROVISIONS AND OTHER CURRENT LIABILITIES	**112,596**	**56,806**

Provisions are detailed in note 3.16.

NOTE 4. NOTES TO THE INCOME STATEMENT

4.1 Employee-related costs

Employee-related costs break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Personnel-related costs, including social charges*	(101,764)	(81,764)
Competitiveness and employment tax credit (CICE)	894	1,198
Pension costs	(678)	(859)
Share-based payment expenses	(19,872)	(4,695)
TOTAL EMPLOYEE-RELATED COSTS	**(121,420)**	**(86,120)**

* *The personnel-related costs presented also include the expense for incentives and profit-sharing.*

The main change in employee-related costs relates to the increase of headcount as well as share-based payments.

Our Group's average number of employees measured on a full-time equivalent basis is as follows:

(as full-time equivalents)	March 31, 2019	March 31, 2018
Production	806	640
R&D	301	171
Sales and marketing	49	29
General management and administrative staff	175	136
TOTAL HEADCOUNT IN FULL-TIME EQUIVALENTS	**1,332**	**976**

4.2 Capitalized development projects

R&D costs break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Gross R&D operating costs	**(51,279)**	**(43,879)**
Sales of prototypes	9,086	8,772
R&D grants recognized in profit/(loss)	8,200	7,392
Repayable advances recognized in profit/(loss)	-	7,473
Research tax credit*	13,826	12,012
Other income	150	-
Total income deducted from gross operating costs	**31,262**	**35,649**
TOTAL R&D OPERATING COSTS, NET	**(20,017)**	**(8,230)**

* *Of which an adjustment of €2.3 million relating to the research tax credit for 2017.*

In fiscal year 2018-2019, €13,427 thousand in development projects were capitalized in intangible assets in progress (€3,286 thousand in 2017-2018).

Redeemable advances recognized in the income statement represented a non-recurring amount of €7.5 million for fiscal year 2017-2018 (zero for fiscal year 2018-2019).

4.3 Depreciation and amortization expenses

Depreciation and amortization expenses in the income statement break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Cost of sales	(19,160)	(14,722)
Capitalized development projects	(4,249)	(3,808)
Sales and marketing expenses	(131)	(6)
Administrative expenses	(1,057)	(111)
TOTAL DEPRECIATION AND AMORTIZATION EXPENSES	**(24,597)**	**(18,648)**

The increase in depreciation and amortization in administrative expenses and sales & marketing expenses is mainly linked to the application of IFRS 16.

IFRS 16 "Leases"

(in € thousand)	Amortization expense of rights-of-use for the fiscal year ended March 31, 2019	Interest expense on lease liabilities for the fiscal year ended March 31, 2019	Rental expenses for the fiscal year ended March 31, 2019
Leases restated under IFRS 16			
Buildings	(904)	(71)	(925)
Equipments	(1,918)	(123)	(3,418)
Other fixed assets	(260)	(9)	(265)
Total leases restated under IFRS 16	**(3,082)**	**(203)**	**(4,608)**
Leases not restated under IFRS 16			
Short-term leases (exemption)	-	-	(66)
Low value leases (exemption)	-	-	(12)
Total leases not restated	**-**	**-**	**(78)**
TOTAL	**(3,082)**	**(203)**	**(4,686)**

4.4 Other operating income and expenses

Other operating income and expenses in the income statement break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Capital gain on sale of land (Villejust facility)	566	-
Impairment reversal (Bernin facility)	-	3,835
Reversal of provision for dismantling of equipment and production shutdown costs (Singapore facility)	-	464
Total other operating income	**566**	**4,299**
Provision for restoration of site (Villejust facility)	-	(191)
Expenses relating to restructuring measures and litigation	(100)	(31)
Other	(6)	-
Total other operating expenses	**(106)**	**(222)**
TOTAL OTHER OPERATING INCOME AND EXPENSES, NET	**460**	**4,077**

At March 31, 2019, other operating income mostly comprised the capital gain on the sale of the land at the Villejust facility.

At March 31, 2018, other operating income mostly comprised the reversal of the provision for accelerated impairment relating to the 300mm wafer production facility at Bernin.

4.5 Financial income

Financial income breaks down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Interest received on financial investments	88	35
Other interest income	281	158
Financial income	1,306	640
Reversal of provisions	281	5,589
TOTAL FINANCIAL INCOME	**1,956**	**6,422**

At March 31, 2019, financial income consisted of a reversal of the provision for late interest payments.

At March 31, 2018, the reversal of provisions related primarily to the recovery of a guarantee deposit (related to the bond for the Touwsrivier solar power plant), which had been largely impaired over fiscal year 2015-2016 and presented in continuing operations on account of the significant length of time that recovery is expected to take.

4.6 Financial expense

Financial expenses break down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Interest on borrowings and bank current accounts	(210)	(440)
Interest on leases	(202)	(507)
Interest on OCÉANE bonds	(3,230)	(428)
Other interest expense	(1,443)	(819)
Provision for impairment of financial assets – Investments	(65)	(125)
Capital loss on sale of financial assets and other financial expenses	(281)	(217)
Net foreign exchange gains/(losses)*	(4,607)	(767)
TOTAL FINANCIAL EXPENSES	**(10,038)**	**(3,303)**

* *Foreign exchange gains and losses are presented net.*

At March 31, 2019, other interest and financial expenses mostly related to the accretion of redeemable advances for R&D projects, and the interest expense relating to retirement benefit obligations.

4.7 Income tax

At March 31, 2019, the net tax expense for the fiscal year was €10,932 thousand and resulted from a current tax expense of €19,282 thousand mostly incurred by our Company. It was partly offset by the recognition of income of €8,350 thousand from deferred tax assets (of which €6,987 thousand in tax loss carryforwards recognized over the period).

The difference between the theoretical income tax calculated at the standard tax rate in France (34.43%) and the effective tax expense in the income statement breaks down as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Theoretical income tax benefit at the applicable rate	(34,815)	(25,683)
Unrecognized deferred tax assets	(1,774)	
Non-deductible provisions and expenses (permanent difference)	(45)	(1,892)
Non-taxable income (research tax credit - CICE)	6,510	4,507
Use of tax loss carryforwards	18,937	5,333
Recognition of tax loss carryforwards	6,987	25,443
Adjustments for differences in income tax rates	(622)	244
Share-based payments	(6,183)	
Other differences	74	9,533
TOTAL INCOME TAX BENEFIT/(EXPENSE)	**(10,932)**	**17,485**

Deferred tax assets and liabilities chiefly break down as follows, by nature:

(in € thousand)	March 31, 2018	Change through profit/(loss)	Change in OCI	Change in scope	March 31, 2019
Deferred tax assets					
Tax losses carried forward, net	25,443	6,987			32,430
Temporary differences (1)	4,183	(1,225)			2,958
Other items (2)	3,444	1,483	591	320	5,838
Total deferred tax assets	**33,070**	**7,245**	**591**	**320**	**41,226**
Deferred tax liabilities					
Net deferred tax on leases	(5,613)	331			(5,282)
Deferred taxes on financial instruments	(3,861)	1,097	3,837		1,073
Other items (2)	(4,598)	(324)	(5,881)	(654)	(11,457)
Total deferred tax liabilities	**(14,072)**	**1,104**	**(2,044)**	**(654)**	**(15,666)**
DEFERRED TAXES, NET	**18,998**	**8,349**	**(1,453)**	**(334)**	**25,560**

(1) Temporary differences mainly comprise non-tax-deductible provisions.
(2) Other items mainly include retirement benefit obligations of €3.5 million recorded under assets (including €1 million relating to the consolidation of Dolphin Design) and redeemable advances of €4.3 million recorded under liabilities.

Our Group recognized in its deferred tax assets the amount of €32.4 million in relation to the tax loss carryforwards in France which it intends to use in the coming years. Unrecognized tax loss carryforwards in France (Soitec S.A. is the main contributor) totaled €699 million at March 31, 2019.

The amount of tax losses carried forward is $12,600 thousand for Soitec Microelectronics Singapore and $310,000 thousand for Soitec USA Holding.

4.8 Earnings/(loss) per share

Data on shares used to calculate basic and diluted earnings/(loss) per share are as follows:

(in number of shares)	March 31, 2019	March 31, 2018
Weighted average number of ordinary shares (excluding treasury shares) used to calculate basic earnings/(loss) per share	31,362,490	30,986,360
Effects of dilution		
Preferred shares	1,437,042	600,223
OCEANE 2023 convertible bonds	1,085,714	-
Free shares	386,605	1,543
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (EXCLUDING TREASURY SHARES) ADJUSTED FOR DILUTED EARNINGS/(LOSS) PER SHARE	**34,271,851**	**31,588,126**

4.9 Net profit/(loss) from discontinued operations

(in € thousand)	March 31, 2019	March 31, 2018
Sales	**124**	**1,233**
Expenses for the period	(77)	(1,823)
Current operating income/(loss)	**47**	**(589)**
Other operating expenses, net	409	(1,809)
Operating income/(loss)	**456**	**(2,398)**
Financial income/(expense)	(97)	(2,720)
Profit/(loss) before tax	**359**	**(5,118)**
Income tax	(438)	(448)
Share of profit/(loss) of equity-accounted companies	415	-
NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS	**336**	**(5,566)**

At March 31, 2019, operating income was positive due to the reversals of unused provisions (fewer operating losses).

At March 31, 2018, operating income consisted primarily of additional provisions for solar activities restructuring, and financial income mainly reflected adjustments in the value of South African assets held for sale.

NOTE 5. OTHER INFORMATION

5.1 Retirement benefit obligations and other employee benefits

Benefit obligations

(in € thousand)	March 31, 2019	March 31, 2018
Retirement benefit obligations	13,320	9,786
Fair value of plan assets	(410)	(402)
BENEFIT OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET	**12,910**	**9,384**

Our Group recognizes retirement benefit obligations as liabilities in the balance sheet at the amount of the obligation as estimated using the most probable assumptions at the reporting date. The impact of changes in actuarial assumptions is recognized under other items of comprehensive income under “Actuarial gains/(losses) on defined benefit plans”.

Retirement benefit obligations

DESCRIPTION OF PLANS

Retirement and other employee benefits granted to long-term personnel relate solely to active employees. Benefits are granted under either defined contribution or defined benefit plans. Provisions are set aside only for defined benefit plans. These mainly consist of retirement indemnities plus other pension obligations and supplementary retirement gratuities.

In certain cases, obligations under defined benefit plans are covered by funds, which are regularly valued by independent actuaries. The value of any such funds is deducted from the corresponding liability. Plan assets include secure/dynamic investment vehicles, based on an analysis carried out with the entity of its obligations in light of the expected retirement dates of its employees.

	March 31, 2019	March 31, 2018
Retirement age	62-65 years of age depending on the category	62-65 years of age depending on the category
Turnover assumptions (average)	0.00% to 5.75% depending on age	0.00% to 5.75% depending on age
Annual inflation rate	2.00%	2.00%
Annual salary increase rate	from 1.00% to 2.50%	from 1.00% to 2.50%
Annual discount rate*	1.05%	1.40%

* *1.57% for Dolphin Design.*

The sensitivity of the retirement benefit obligation to these assumptions is detailed below: sensitivity of results to the discount rate (increase or decrease of 1 percentage point compared to the base rate).

	Annual discount rate		
	0.55%	1.05%	1.55%
	(-0.5 point)	(base rate)	(+0.5 point)
PRESENT VALUE OF BENEFIT OBLIGATION	**9%**	**100%**	**-8%**

CHANGE IN RETIREMENT BENEFIT OBLIGATION

(in € thousand)	March 31, 2019	March 31, 2018
Benefit obligation at beginning of the period	**9,785**	**8,773**
Service cost	704	845
Interests	147	132
Benefits paid	(9)	(21)
Other benefits	-	14
Change in scope	930	-
Acquisition	-	11
Actuarial gains/(losses) (assumptions and experience adjustments)	1,763	31
BENEFIT OBLIGATION AT END OF THE PERIOD	**13,320**	**9,785**

CHANGE IN FAIR VALUE OF PLAN ASSETS

(in € thousand)	March 31, 2019	March 31, 2018
Fair value of plan assets at beginning of the period	**402**	**391**
Expected return on plan assets	5	11
Actuarial gains/(losses)	3	-
Fair value of plan assets at end of the period	**410**	**402**

CHANGE IN BENEFIT OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET

(in € thousand)	March 31, 2019	March 31, 2018
Benefit obligation at beginning of the period	**9,383**	**8,382**
Service cost	704	845
Interests	147	132
Expected return on plan assets	(5)	(11)
Actuarial gains/(losses)	1,760	31
Benefits paid – benefits paid out of insurance fund	(9)	(21)
Change in scope	930	-
Other benefits	-	14
Acquisition	-	11
BENEFIT OBLIGATION AT END OF THE PERIOD	**12,910**	**9,383**

EXPENSES RECOGNIZED IN THE INCOME STATEMENT

(in € thousand)	March 31, 2019	March 31, 2018
Service cost	704	(845)
Interests	147	(132)
Expected return on plan assets	(5)	5
TOTAL EXPENSE RECOGNIZED IN THE INCOME STATEMENT	**846**	**(972)**

5.2 Contractual obligations and commitments

Contractual obligations and commitments break down as follows:

	March 31, 2019				March 31, 2018
(in € thousand)	Less than 1 year	1 to 5 years	More than 5 years	Total	Total
Commitments given recognized in the balance sheet					
Lease obligations (IFRS 16)	7,461	27,463	2,313	37,237	8,728
Total	**7,461**	**27,463**	**2,313**	**37,237**	**8,728**
Commitments given recognized off-balance sheet					
Lease obligations	80	-	-	80	469
Pledges	-	-	18,000	18,000	18,000
Guarantees given	7,700	-	33,293	40,993	41,364
Other commitments	5,650	5,650	26,702	38,002	24,349
Total	**13,430**	**5,650**	**77,995**	**97,075**	**84,182**
TOTAL CONTRACTUAL OBLIGATIONS RECOGNIZED IN THE BALANCE SHEET AND OFF BALANCE SHEET	**20,891**	**33,113**	**80,308**	**134,312**	**92,910**
Commitments received					
COMMITTED CREDIT LINE UNUSED	**9,000**	**26,000**	**-**	**35,000**	**-**

As of March 31, 2019, guarantees/pledges/commitments given totaled €97 million and the main beneficiaries are:

- Shin-Etsu Handotaï: a pledge of €18 million on inventories and a contractual compensation commitment of €24 million were given as security for the long-term commitment to supply raw materials;
- the project company for the Touwsrivier solar power plant (CPV Power Plant no. 1): €30.0 million;
- buyers of the Desert Green and Rians solar power plants: €3.2 million;
- pledge of mortgage assets: €7.2 million;
- commitment to purchase raw material supplies from Sumco for €11.3 million (over 2 years).

5.3 Related party disclosures

The semiconductor market is known for its limited number of participants, meaning that our Group maintains or is likely to maintain business relationships with Shin-Etsu Handotaï, Global Foundries, Shanghai Simgui Technology Co. Ltd. ("Simgui"), and the French Atomic Energy and Alternative Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* - CEA). Some of our directors, namely Messrs. Satoshi Onishi, Douglas Dunn, Nabeel Gareeb, Weidong Ren and Christophe Gegout hold or have held positions within these companies, as described in the individual summaries presented in section 4 of this Registration Document.

Shin-Etsu Handotaï Co. Ltd

Since the close of the fiscal year ended March 31, 2015, an €18 million pledge on inventories has been granted to Shin-Etsu Handotaï Co. Ltd.

During the year ended March 31, 2019, purchases of raw materials from Shin-Etsu Handotaï represented €132,715 thousand (€82,426 thousand in the year ended March 31, 2018). A multi-year contract has also been signed to guarantee the supply of raw materials over the next few years, for which an off-balance sheet commitment of $30 million has been reported in the notes to the consolidated financial statements.

Our Group invoiced €3,944 thousand to Shin-Etsu Handotaï in respect of fiscal year 2018-2019 (€3,248 thousand for fiscal year 2017-2018).

Other related parties

Global Foundries is one of our Group's main customers; sales of wafers amounted to $184 million for the 2018-2019 fiscal year ($15 million for the 2017-2018 fiscal year).

In fiscal 2018-2019, our Group paid the CEA €5,317 thousand under the R&D contract (€5,241 thousand in fiscal year 2017-2018) and €5,020 thousand in patent royalties (€4,247 thousand in fiscal 2017-2018). Our Group invoiced €145 thousand for services provided.

During the fiscal year, our Group paid Simgui $23.7 million for the purchase of 200 mm SOI wafers ($9.1 million in the 2017-2018 fiscal year).

Our Group invoiced Simgui US$500,000 for the service contract, $19.3 million for silicon substrates and $246,000 in royalties for Simgui's sales on the Chinese market in the first year (compared to $1 million and $7.7 million respectively in 2017-2018).

Our Group invoiced clean room services to Exagan, where our Company is a director represented by Chief Executive Officer Paul Boudre. These invoices amounted to €404 thousand in 2018-2019 (up from €398 thousand in 2017-2018).

As of March 31, 2019, our Executive Committee (EXCom) had 11 members, excluding corporate officers (nine as of March 31, 2018), resulting in an average headcount of 10.5 over the year. The total gross compensation paid by our Group to members of the EXCom, excluding corporate officers, and including direct and indirect benefits of executives was €3,499 thousand for the fiscal year ended March 31, 2019.

(in € thousand)	March 31, 2019	March 31, 2018
Short-term benefits	3,499	2,656
Post-employment benefits	-	-
Accounting valuation of preferred shares allocated during the fiscal year*	-	7,731
TOTAL GROSS COMPENSATION PAID TO GROUP MANAGEMENT	**3,499**	**10,387**

The amount of the gross compensation allocated to corporate officers and non-employee directors is as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Short-term benefits	1,283	1,031
Post-employment benefits	-	-
Termination benefits	-	-
Accounting valuation of preferred shares allocated during the fiscal year*	-	1,871
Total compensation awarded to corporate officers	**1,283**	**2,902**
Directors' fees	654	406
Reimbursement of travel expenses	52	72
Total compensation awarded to corporate officers and non-executive directors	**1,989**	**3,380**

* *As of March 31, 2018, preferred shares were valued in accordance with IFRS 2. Over the 2017-2018 fiscal year, 230,676 preferred shares were allocated to executives (including 44,947 to corporate officers).*

No preferred shares were allocated during the 2018-2019 fiscal year.

5.4 Financial risk management

Financial risk management objectives and policies

Our Group's objectives are to hedge foreign exchange risk on commercial transactions recognized in the balance sheet and on highly probable future transactions. During fiscal year 2018-2019, the Group's policy regarding exposure to foreign exchange risk on its future commercial transactions was to hedge a substantial portion of the foreign exchange risk at March 31, 2018 over the 2018-2019 fiscal year by means of derivatives based on operating budgets. The useful life of these instruments matches our Group's settlement flows. Our Group applies hedge accounting as defined by IFRS 9. Our Group's policy also consists of managing its interest expense using a combination of fixed-rate and floating-rate borrowings. However, our Group's policy is not to use instruments for speculative purposes.

The table below summarizes the maturity profile of our Group's financial liabilities at March 31, 2018 and March 31, 2019:

(in € thousand)	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	8,135	10,475	55,588	4,060	78,259
Other financial liabilities	1	-	-	-	1
Trade payables and related accounts	42,013	414	-	-	42,427
Other liabilities	42,470	14,336	5,195	6,253	68,255
MARCH 31, 2018	**92,619**	**25,225**	**60,783**	**10,313**	**188,942**
Loans and financial debts	5,212	17,367	196,865	2,313	221,757
Other financial liabilities	26	-	-	-	26
Trade payables and related accounts	56,923	5,316	-	-	62,239
Other liabilities	64,927	47,669	8,775	12,656	134,027
MARCH 31, 2019	**127,088**	**70,352**	**205,640**	**14,969**	**418,049**

Fair value and classification of financial assets and liabilities

(in € thousand)	Notes	Carrying amount	At fair value through other comprehensive income	At fair value through profit or loss	Amortized cost
		March 31, 2019			
Non-current financial assets:					
Non-consolidated investments	3.5	11,014	-	11,014	-
Derivative financial instruments (positive fair value)	3.5	-	-	-	-
Deposits and guarantees	3.5	3	-	-	3
Non-current financial assets	**-**	**11,017**	**-**	**11,014**	**3**
Current financial assets:					
Derivative financial instruments (positive fair value)	3.10	52	1	51	-
Other	3.10	120	-	-	120
Current financial assets	-	**172**	**1**	**51**	**120**
Trade receivables	3.8	139,345	-	-	139,345
Cash and cash equivalents	3.11	175,308	-	175,308	-
TOTAL FINANCIAL ASSETS	**-**	**325,842**	**1**	**186,373**	**139,468**
Financial liabilities:					
Derivative financial instruments	3.15	3,348	-	3,348	-
Other borrowings and debt	3.15	55,587	-	-	55,587
Oceane convertible bonds	3.15	130,432	-	-	130,432
Committed credit line used	3.15	32,390	-	-	32,390
Current and non-current financial liabilities	**3.15**	**221,757**	**-**	**3,348**	**218,409**
Other financial liabilities	**3.15**	**26**	**-**	**-**	**26**
Trade payables and related accounts	**3.17**	**62,239**	**-**	**-**	**62,239**
TOTAL FINANCIAL LIABILITIES	**-**	**284,022**	**-**	**3,348**	**280,674**

The data at March 31, 2018 was as follows:

(in € thousand)	Notes	Carrying amount	At fair value through other comprehensive income	At fair value through profit or loss	Amortized cost
		March 31, 2018			
Non-current financial assets:					
Non-consolidated investments	3.5	7,598	-	7,598	-
Derivative financial instruments (positive fair value)	3.5	1,512	1,466	46	-
Deposits and guarantees	3.5	3	-	-	3
Non-current financial assets	**3.5**	**9,113**	**1,466**	**7,644**	**3**
Current financial assets:					
Derivative financial instruments (positive fair value)	3.10	12,614	9,678	2,936	-
Other	3.10	173	-	-	173
Current financial assets	**3.10**	**12,787**	**9,678**	**2,936**	**173**
Trade receivables	3.8	56,823	-	-	56,823
Cash and cash equivalents	3.11	119,957	-	119,957	-
TOTAL FINANCIAL ASSETS	**-**	**198,680**	**11,144**	**130,537**	**56,999**
Financial liabilities:					
Derivative financial instruments	3.15	158	-	158	-
Other borrowings and debt	3.15	17,108	-	-	17,108
Committed credit line used	3.15	60,992	-	-	60,992
Current and non-current financial liabilities	**3.15**	**78,258**	-	**158**	**78,100**
Other financial liabilities	**3.15**	**1**	-	-	**1**
Trade payables and related accounts	**3.17**	**42,427**	-	-	**42,427**
TOTAL FINANCIAL LIABILITIES	**-**	**120,686**	**-**	**158**	**120,528**

CLASSIFICATION OF FINANCIAL INSTRUMENTS PURSUANT TO IFRS 13

The breakdown of financial instruments by level in the fair value hierarchy is as follows:

(in € thousand)	Notes	Level 1	Level 2	Level 3	Carrying amount in the balance sheet
Assets					
Non consolidated investments	3.5	-	-	11,014	11,014
Cash and cash equivalents	3.11	175,308	-	-	175,308
Derivative financial instruments (positive fair value)	3.10	-	52	-	52
Liabilities					
Derivative financial instruments (liabilities)	3.15	-	(3,348)	-	(3,348)
NET VALUE AT MARCH 31, 2019	**-**	**175,308**	**(3,296)**	**11,014**	**183,026**
Assets					
Non consolidated investments	3.5	-	-	7,598	7,598
Cash and cash equivalents	3.11	119,957	-	-	119,957
Derivative financial instruments (positive fair value)	3.10	-	14,126	-	14,126
Liabilities					
Derivative financial instruments (liabilities)	3.15	-	(158)	-	(158)
Net value at March 31, 2018	**-**	**119,957**	**13,968**	**7,598**	**141,523**

The fair value hierarchy is described in note 2.5.J.

Financial instruments used

CURRENCY RISK

The translation rates used to translate our subsidiaries' financial statements that use a functional currency other than the Euro have the following exchange value in Euros:

	Average rate		Closing rate	
Currencies	**March 31, 2019**	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
US dollar	0.86723	0.85194	0.890076	0.811622
Yen	0.00782	0.00767	0.008035	0.007625
Rand	0.06186	0.06863	0.061485	0.068395

The following table shows the financial instruments in place at March 31 to hedge foreign exchange risks:

		March 31, 2019		March 31, 2018	
Type of contract *(in € thousand)*	**Currency**	**Market value (net)**	**Hedged position**	**Market value (net)**	**Hedged position**
Hedging of balance sheet items		**(3,295)**		**2,753**	
of which eligible for hedge accounting					
(Hedging of trade receivables):		(1,714)	-	2,755	-
Forward sales	*USD to EUR*	*(1,726)*	*73,296*	*1,418*	*10,145*
Options	*USD to EUR*	*12*	*14,241*	*1,337*	*11,540*
of which not eligible for hedge accounting:		(1,581)	-	(2)	-
Forward sales (hedging of trade receivables)	*USD to EUR*	*(690)*	*6,231*	-	-
Options		*(892)*	*14,241*	-	-
Forward purchases (hedging of trade payables)	*JPY to EUR*	-	-	(2)	1,587
Cash flow hedges		**1**		**11,215**	
of which eligible for hedge accounting:		1	-	11,371	-
Forward sales	*USD to EUR*	*1*	*135*	*5,374*	*60,872*
Options	*USD to EUR*	-	-	*5,997*	*67,188*
of which not eligible for hedge accounting:		-	-	(156)	-
Options	*USD to EUR*	-	-	*(156)*	*78,727*
TOTAL HEDGES		**(3,295)**	**-**	**13,968**	**-**

The market value was estimated using one or more commonly used models.

Sensitivity analysis of net exposure after currency hedging

The exchange rates of our Group's three main currencies at March 31, 2019 were as follows:

- EUR/USD: €1 for US$1.1235 (€1 for US$1.2321 at March 31, 2018);
- EUR/JPY: €1 for JPY 124.45 (€1 for JPY 131.15 at March 31, 2018);
- EUR/ZAR: €1 for ZAR 16.2642 (€1 for ZAR 14.621 at March 31, 2018).

The scope used to analyze sensitivity to exchange rate risks includes receivables and other assets, debts and other liabilities and cash, the portion of commercial cash flows falling within the hedged period as well as derivatives used to hedge these foreign exchange exposures. A 10%

increase in the value of the euro against these currencies at March 31 would negatively impact earnings by the amounts indicated below. For this analysis, all other variables, specifically interest rates, are assumed to remain constant.

(in € thousand)	March 31, 2019	March 31, 2018
US dollar	253	(2,019)
Yen	574	549
Singapore dollar	(1,089)	9
Rand	(1,727)	(1,831)
Other currencies	(453)	(446)
Increase (decrease) in net income resulting from a 10% increase in the value of the euro	**(2,442)**	**(3,737)**

A 10% decrease in the value of the euro against these currencies at March 31 would positively impact earnings in the amounts indicated below. For this analysis, all other variables, specifically interest rates, are assumed to remain constant.

(in € thousand)	March 31, 2019	March 31, 2018
US dollar	(309)	2,468
Yen	(702)	(670)
Singapore dollar	1,331	(11)
Rand	2,111	2,238
Other currencies	553	543
Increase (decrease) in net income resulting from a 10% decrease in the value of the euro	**2,985**	**4,568**

INTEREST RATE RISK

Our Group's medium and long-term debt is partly variable rate and partly fixed rate.

A 1% increase in interest rates applied to floating-rate debt and investments would have led to a decrease of approximately €325 thousand in financial income/(expense).

A 1% decrease in interest rates applied to floating-rate debt and investments would have led to an increase of approximately €109 thousand in financial income/(expense).

CREDIT RISK

The financial instruments on which our Group potentially incurs a credit risk are mainly cash, liquid assets subject to restrictions and trade receivables. Our Group has set up a cash management policy in order to optimize its investments in liquid short-term and low-risk financial instruments. Our Group's liquid assets are mainly invested with large international financial institutions.

Our Group markets its products to players in the semiconductor industry, mainly located in the United States, Asia and Europe. As of March 31, 2019, eight customers individually represented more than 5% of our Group's revenue, and jointly represented 76% of the revenue. As at March 31, 2018, eight customers individually represented more than 5% of our Group's revenue, and jointly represented 71% of the revenue.

Our Group frequently assesses its clients' credit risk and financial position, and provisions for potential losses on receivables that cannot be recovered

EQUITY RISK

Our Group does not hold any non-consolidated equity stakes or securities traded on a regulated market.

LIQUIDITY RISK

Our Group's financing is based on long-term borrowing from the capital markets (convertible bond issues and capital increases), finance leases for capital spending, and committed credit lines.

CASH FLOW MATURITY SCHEDULE FOR BORROWINGS AND DEBT

This table shows the repayment schedule of financial liabilities recognized at March 31, 2019 at their nominal amount, including interest recognized and not discounted.

	Maturity of borrowings:						
	Amount due						
(in € thousand)	Less than 1 year	1-2 years	2-3 years	3-5 years	More than 5 years	Total	Amount recognized in the balance sheet at March 31, 2019
Non-derivative financial instruments:							
Leases pursuant to IFRS 16	7,575	7,439	7,292	13,292	2,330	37,928	37,237
Bonds and other borrowings	11,791	11,233	11,166	158,952	-	193,142	193,042
Trade payables	62,239	-	-	-	-	62,239	62,239
Other payables (excluding tax and social security payables)	49,067	-	-	-	-	49,067	49,067
Total non-derivative financial instruments	**130,672**	**18,672**	**18,458**	**172,244**	**2,330**	**342,376**	**341,585**
Derivative financial instruments:							
Interest rate derivatives	-	-	-	-	-	-	-
Currency derivatives	3,347	-	-	-	-	3,347	3,347
Other derivatives	-	-	-	-	-	-	-
Total derivative financial instruments	**3,347**	**-**	**-**	**-**	**-**	**3,347**	**3,347**
TOTAL FINANCIAL LIABILITIES	**134,019**	**18,672**	**18,458**	**172,244**	**2,330**	**345,723**	**344,932**

CONFIRMED CREDIT LINES

Bank credit lines (€29.8 million as of March 31, 2018) restructured to be amortized on a straight-line basis until 2021 (four residual annual installments of €7.44 million), were fully repaid on June 28, 2018.

Our Group has entered into new bank credit line agreements worth €35 million with three banks. These credit lines are amortized on a straight-line basis until no later than March 2024. These credit lines bear a commitment fee of 0.20%, and a utilization fee ranging from EURIBOR +0.70% to +0.80% depending on the credit lines. No covenant is attached.

Within the framework of receivables financing for the research tax credit and CICE, our Group signed credit lines with Bpifrance for a total amount of €32.4 million to mature between September 2019 and September 2022.

These credit lines carry a commitment fee of 0.30%, plus a utilization fee of 1-month EURIBOR +0.70%.

Capital management

Our Group's primary objective is to have the necessary and sufficient financial resources to fund the growth of its business. To this end, it has in the past called on its shareholders to finance its capital spending through capital increases and convertible bond issues. Focusing on an industrial growth strategy geared towards strong product innovation, our Group systematically reinvests its earnings.

The share capital of our Company is publicly traded, with three strategic investors each holding 11.49% of shares (Bpifrance Participations, CEA Investissement an NSIG Sunrise S.à.r.l.), and a significant number of institutional investors.

NOTE 6. SUBSEQUENT EVENTS

6.1 Acquisition of EpiGaN

On May 13, 2019, our Company purchased 100% of the equity of EpiGaN, the leading European supplier of gallium nitride epitaxial plates (GaN), for €30 million in cash, with an earn-out based on the achievement of targets. This acquisition will enable our Group to strengthen its foothold in the fast-growing 5G, power electronics and sensor segments. The market size for gallium nitride-based technologies is estimated to be between 500,000 and 1 million wafers per year over the next five years. In addition, the EpiGaN acquisition also creates further, complementary growth opportunities for our Group's Power-SOI products, given the use of gallium nitride in the design of power transistors.

EpiGaN posted revenue of €2 million in its most recent fiscal year ended December 31, 2018 (statutory financial statements), and has 10 employees. Its shareholders' equity amounted to €5.2 million as of December 31, 2018 (statutory financial statements). A review of any IFRS divergences and work to allocate the purchase price are currently in progress.

6.2 Disposal of equity interest in CPV Power Plant no. 1 (and the associated loan)

As part of its withdrawal from solar activities, our Group signed a Share Purchase Agreement on May 7, 2019 to sell its 20% stake in CPV Power Plant no. 1 (project company for the Touwsrivier solar power plant in South Africa). The shares were valued at €5,250 thousand in the financial statements as of March 31, 2019. To be valid, this sale must be authorized by both the South African government and certain CPV Power Plant no. 1 creditors.

This sale will also involve the repayment of the loan granted to one of CPV Power Plant no. 1's shareholders. This loan was valued at €11,313 thousand as of March 31, 2019.

6.2.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 31 March 2019

To the Annual General Meeting of Soitec,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Soitec for the year ended 31 March 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 March 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 April 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Solar Energy activities (valuation and presentation of assets held for sale)

RISK IDENTIFIED	OUR RESPONSE
Further to the decision to cease activities in the Solar Energy sector, the Group terminated all its production and research and development activities in San Diego (USA) and Freiburg (Germany) and continued to sell residual assets, as described in Note 3.12 to the consolidated financial statements. Therefore, as the criteria of the applicable accounting standard were deemed to be met (see Notes 2.5 M and 2.5 AA to the consolidated financial statements): ● the assets from this activity are recognized at the lower amount of either their carrying amount or their fair value decreased by sales costs; once classified in assets held for sale, the tangible and intangible assets are no longer amortized; ● the residual assets for this activity, which stood at € 16.7m at 31 March 2019 (€ 24m at 31 March 2018) are presented in the balance sheet as assets held for sale and the residual liabilities for this activity, which stood at € 6.2m at 31 March 2019 (€ 12.2m at 31 March 2018) are presented in the balance sheet as liabilities directly related to the assets held for sale, as described in Note 3.12 to the consolidated financial statements; ● the Solar Energy activity is presented in the profit and loss statement on the "After-tax revenue of abandoned activities" line. Given the complexities of the process for exiting the Solar Energy activity, the level of judgment necessary to value these assets, and the potentially significant impact of any variation in these estimates on the accounts, the valuation of the assets relating to the Solar Energy activity and the information given on this matter in the notes to the consolidated financial statements were considered to be a key audit matter.	We have analyzed compliance with the criteria defined by the applicable accounting standard, consisting in categorizing the activities relating to Solar Energy as assets held for sale and in presenting that activity as an abandoned activity in the profit and loss statement. We also familiarized ourselves with the procedure for developing and approving the estimates and assumptions made by your Group concerning the valuation of the Solar Energy activity's assets, and evaluated these estimates. Our work notably consisted in: ● for the assets, examining the conditions for calculation and the assumptions used for their valuation and analyzing, where applicable, the available external information (acquisition proposals, expert reports) supporting their valuation; ● evaluating the appropriateness of the information disclosed in Notes 2.5.M, 2.5.AA, 3.12 and 4.9 to the consolidated financial statements.

Recognition of deferred tax assets relating to tax loss carryforwards in France

RISK IDENTIFIED	OUR RESPONSE
At 31 March 2019, the Group recognized € 32m in deferrable tax assets in France. Note that the amount of non-activated tax loss carryforwards stood at € 699m at 31 March 2019, as stated in Note 4.7 to the consolidated financial statements. Tax assets relating to tax loss carryforwards are only recognized if the Group considers it probable that it will have sufficient taxable income in the future to use the tax loss carryforwards, as described in Note 2.5.Y to the consolidated financial statements. We considered the recognition of the deferred tax assets relating to tax loss carryforwards in France to be a key audit matter due to the materiality of these tax loss carryforwards and the level of judgement exercised by the management to determine the amount of deferred tax assets relating to it to be recognized.	We familiarized ourselves with the methodology used by the management to identify the tax loss carryforwards that existed at year-end. We assessed the calculations of taxable income, the positions taken and the bases for French deferred tax with the assistance of our tax experts. Then we evaluated the documentation enabling the management to estimate the likelihood of being able to use the carryforwards in the future, notably with regard to: • existing deferred tax liabilities which could be offset against existing tax loss carryfowards prior to their possible expiry; • the ability of the company to generate sufficient future taxable profits in France to allow offsetting of the tax loss carryforwards, within a reasonable timeframe. To evaluate future taxable profits, we analyzed the forecasting process by: • gaining a critical understanding of the procedure for developing and approving the tax result forecasts used for the estimates; • comparing the assumptions used by the management to establish the tax result forecasts with those used in the strategic plan.

Capitalization and valuation of development expenses in the balance sheet

RISK IDENTIFIED	OUR RESPONSE
At 31 March 2019, capitalized development expenses represented a net amount of € 16.7m in the Group's consolidated balance sheet. As described in Notes 2.5.D and 2.5.G to the consolidated financial statements, the development expenses incurred by the Group in the context of its new projects are capitalized when the capitalization criteria are complied with, notably whether it is probable that the project developed will generate future economic advantages that will benefit the Group. The capitalized development expenses are tested annually for impairment when a value loss indicator is identified. We have identified the capitalization and valuation of development expenses in the balance sheet as a key audit matter due to the materiality of these intangible assets in the Group's consolidated balance sheet and the judgment exercised by the management during their initial capitalization and the performance of impairment testing.	We evaluated the procedures relating to the initial capitalization of development expenses, the identification of projects presenting a value loss indicator, and the establishment of the estimates used to perform the impairment testing on these assets. For the projects we selected, our work notably consisted in: • evaluating compliance with the capitalization criteria as defined in the notes to the consolidated financial statements, and the correct application thereof; • using sampling to test the consistency of the amounts recorded in assets at 31 March 2019 with the underlying supporting documentation; • evaluating the data and assumptions used by the Group in the context of impairment testing on capitalized development expenses via interviews with the management; • verifying the arithmetic accuracy of these tests.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Group's management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's information given in the management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Soitec by the Annual General Meeting held on 25 July 2016.

As at 31 March 2019, our audit firms were both in their third year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and Audit Approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set out in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Lyon, July 4, 2019

The Statutory Auditors
(*French original signed by*)

KPMG S.A.		ERNST & YOUNG Audit
Jacques Pierre	Stéphane Devin	Nicolas Sabran

6.3 STATUTORY FINANCIAL STATEMENTS

6.3.1 PARENT COMPANY FINANCIAL STATEMENTS

6.3.1.1 Annual financial statements at March 31, 2019

Balance sheet: Assets

(in € thousand)	Gross amount	Depreciation and amortization	Net 3/31/2019	3/31/2018
Intangible assets				
Concessions, patents and similar rights	48,663	46,237	2,426	1,570
Other intangible assets	20,765	-	20,765	4,910
Property, plant and equipment				
Land	1,811	163	1,648	1,786
Buildings	7,238	4,082	3,156	3,263
Technical installations, equipment, tooling	218,927	182,292	36,635	24,582
Other property, plant and equipment	65,940	44,597	21,343	22,344
Property, plant and equipment in progress	27,722	-	27,722	18,464
Investments				
Other investments	86,905	67,881	19,024	12,113
Receivables linked to holdings	131,596	180	131,416	47,875
Other investments	592	73	518	480
Total non-current assets	**610,160**	**345,505**	**264,655**	**137,387**
Inventory and work-in-progress				
Raw materials, supplies	40,888	5,466	35,422	19,979
Work-in-progress of production of goods	12,473	472	12,001	11,224
Semi-finished and finished products	18,160	466	17,695	5,943
Goods	663	172	492	1,584
Advances, goods paid for on order	1,445	-	1,445	489
Receivables				
Accounts receivable and related accounts [c]	130,436	304	130,132	45,573
Other receivables [c]	67,424	-	67,424	49,908
Miscellaneous				
Marketable securities (of which treasury shares)	45,004	-	45,004	40,000
Liquid assets (including cash instruments)	95,075	-	95,075	66,511
Adjustment accounts				
Pre-paid costs [3]	1,078	-	1,078	1,014
Current assets	**412,645**	**6,880**	**405,766**	**242,224**
Debt issue expenses to be written off	2,062	-	2,062	-
Currency translation adjustments: Assets	2,097	-	2,097	8
GRAND TOTAL	**1,026,965**	**352,385**	**674,580**	**379,619**
(c) Portion at > 1 year [CR]			*42,517*	*42,558*

Balance sheet: equity and liabilities

(in € thousand)	3/31/2019	3/31/2018
Share or individual capital (of which paid up 62,762)	62,762	62,762
Share premiums from issues, mergers and contributions	61,183	61,183
Statutory reserve	5,770	3,393
Other reserves (including purchase of original works of art)	26,304	26,304
Retained earnings	45,170	-
Net profit/(loss)	108,460	47,548
Regulated provisions	521	650
Total equity	**310,170**	**201,840**
Advances with conditions	26,004	25,174
Other equity	**26,004**	**25,174**
Provisions for contingencies	3,855	2,249
Provisions for expenses	335	1,033
Provisions for contingencies and expenses	**4,190**	**3,282**
Convertible bonds	150,000	-
Borrowings and debt with credit institutions (d) (e)	32,602	54,262
Prepayments received on outstanding orders (d)	246	98
Trade and related payables (d)	59,027	43,837
Tax and social security payables (d)	55,276	31,986
Amount due on fixed assets and related accounts (d)	11,515	7,330
Other liabilities (d)	14,689	2,424
Treasury instruments	1,581	-
Pre-paid earnings (d)	8,897	2,387
Liabilities (d)	**333,834**	**142,325**
Currency translation adjustments: Liabilities	382	6,998
GRAND TOTAL	**674,580**	**379,619**
(d) Prepayments and deferred income < 1 year	*150,441*	*94,542*
(e) Of which bank outstandings, bank credit balances, CCP	*32,602*	*54,262*

Income statement (list form)

Items *(in € thousand)*	**France**	**Exports**	**3/31/2019**	**3/31/2018**
Sales of goods		38,215	38,215	10,511
Sales of goods produced	44,409	336,136	380,545	266,767
Sales of services provided	1,346	28,588	29,934	18,756
Net revenue	**45,755**	**402,939**	**448,694**	**296,034**
Production in inventory			12,510	1,390
Stored production			7,092	3,904
Operating grants			11,021	7,186
Reversal of depreciation and provisions, transfer of expenses [i]			10,163	15,953
Other income [a] [k]			13,281	16,155
Operating income [b]			**502,761**	**340,622**
Purchases of goods (including customs duties)			30,322	10,076
Changes in inventory (goods)			920	(927)
Purchases of raw materials and supplies (and customs duties)			169,997	108,016
Changes in inventory (raw materials and supplies)			(15,652)	(3,244)
Other purchases and external costs [c] [f bis]			80,977	64,575
Taxes and similar payments			6,600	5,990
Wages and salaries			55,896	51,804
Social charges [j]			25,717	23,511
Operating expenses				
On fixed assets: depreciation expenses			16,833	14,900
On fixed assets: provisions			414	349
On current assets: provisions			6,576	6,224
For contingencies and charges: provisions			298	1,550
Other costs [l]			15,779	11,159
Operating costs [d]			**394,675**	**293,983**
Operating profit/(loss)			**108,086**	**46,640**
Financial income from holdings [e]			203	463
Other interest and similar income [e]			6,310	14,907
Reversals on provisions and transfer expenses			558	6,737
Positive translation adjustments			1,474	661
Net income from sales of investment securities			-	17
Financial income			**8,545**	**22,784**
Financial expenses for depreciation and provisions			2,235	402
Interest and similar costs [f]			229	871
Negative translation adjustments			285	2,444
Financial expense			**2,749**	**3,717**
Financial income/(expense)			**5,796**	**19,067**
Current pre-tax profit/(loss)			**113,882**	**65,707**
Extraordinary income on management transactions			509	106
Extraordinary income on capital transactions			155,917	12,681
Reversals on provisions and transfer expenses			27,355	519,826
Extraordinary income			**183,781**	**532,614**
Extraordinary costs on management transactions [f bis]			447	666
Extraordinary costs on capital transactions			182,814	557,373
Extraordinary expenses for depreciation and provisions			-	191
Extraordinary expenses			**183,261**	**558,230**
Extraordinary profit/(loss)			**520**	**(25,617)**
Employee profit-sharing plan			2,522	-
Income tax			3,421	(7,458)
TOTAL INCOME			**695,087**	**896,020**
TOTAL EXPENSES			**586,627**	**848,472**
PROFIT OR LOSS			**108,460**	**47,548**

	3/31/2019	3/31/2018
(a) Of which partial net earnings on long-term transactions	-	-
(b) Of which:		
• income from property rentals;		
• operating income from previous fiscal years.	-	-
(c) Of which:		
• property leasing;		
• equipment leasing.	3,406	5,881
(d) Of which operating costs from previous fiscal years (h)	-	*10*
(e) Of which: earnings concerning related parties	*5,369*	*14,726*
(f) Of which: interest concerning affiliated companies	-	*338*
(f bis) Of which: charitable donations (Article 238 bis of the French General Tax Code)	-	-
(g) Details of extraordinary income and expenses	-	-
(h) Details of earnings and costs from previous fiscal years	-	-
(i) Of which cost transfers	*535*	*1,135*
(j) Of which Proprietor's personal contributions	-	-
(k) Of which royalties for concessions, patents, licenses (income)	*6,457*	*11,585*
(l) Of which royalties for concessions, patents, licenses (costs)	*4,662*	*6,103*

6.3.1.2 Notes to our Company financial statements

To the balance sheet before distribution of the fiscal year ended March 31, 2019, whose total amounted to €674,579,634.13 and to the fiscal year's income statement , presented in list form, whose total expenses is €586,627,216.42, total income is €695,086,919.60 and generating a net profit of €108,459,703.18.

The fiscal year has a duration of 12 months from April 1, 2018, to March 31, 2019.

The notes and tables presented below are an integral part of the annual financial statements.

Our Board of Directors will submit the following proposal for approval by our shareholders at the Shareholders' General Meeting to be held on July 26, 2019:

- appropriate €505,769.02 to the legal reserve, bringing it up to 10% of the share capital, which would be increased from €5,770,438.03 to €6,276,207.05; and
- allocate the balance of €107,953,934.16 to "Retained earnings", which would be increased from €45,170,435.55 to €153,124,369.71.

Our annual financial statements were approved by the Board of Directors on June 12, 2019.

Accounting rules and methods and notes to the balance sheet

The general accounting rules have been applied in accordance with the principle of prudence, pursuant to the basic assumptions: going concern, consistency of accounting methods from one year to the next, independence of fiscal years, pursuant to the general rules of preparing and presenting annual financial statements.

The basic method used to value recorded items is the historical cost method.

General principles and conventions

The financial statements were prepared in accordance with ANC Regulation no. 2014-03 of June 5, 2014, as updated by ANC Regulation no. 2016-07 of November 4, 2016 on the French general chart of accounts and French GAAP, as well as ANC Regulation 2015-05 on forward financial instruments and hedging transactions.

Highlights

ISSUANCE OF OCEANE 2023 CONVERTIBLE BONDS

On June 28, 2018, the Company issued convertible bonds into or exchangeable for new or existing shares (OCEANEs) with a maturity date of June 28, 2023, for an amount of €150 million.

Issuing costs relating to the bond of €2,426 thousand will be amortized over five years. The amortization charge recognized for the fiscal year amounted to €364 thousand.

ACQUISITION OF ASSETS AND CERTAIN LIABILITIES OF DOLPHIN INTÉGRATION

During the summer of 2018, our Company established Dolphin Design. Since August 24, 2018, our Company has held 60% of Dolphin Design, with the remaining 40% held by MBDA. This new entity get certain assets and liabilities of Dolphin Intégration (which went into receivership on July 24, 2018) to be taken over, for a total amount of €200 thousand. Among the assets acquired were investments in Dolphin Inc (Canada) and Dolphin Ltd. (Israel), two product development subsidiaries.

FREE SHARE ALLOCATION PLAN

Shareholding plan for all employees

On July 26, 2018, our Board of Directors decided to set up two new free ordinary share allocation plans for all Group employees.

Conditional on continued employment, length of service and performance, these two new plans allocate a certain number of free shares to our employees as an incentive to contribute to our Group's growth. So far, 308,263 ordinary shares have been allocated:

- 270,655 ordinary shares to employees of our Company and of Frec|n|sys, a French subsidiary; and
- 37,608 ordinary shares to employees of our foreign subsidiaries in the United States, Singapore, Japan and South Korea.

At July 26, 2018, these shares made up around 1.1% of our Company's share capital.

The ordinary shares thus allocated will fully vest to beneficiaries, subject to performance and continued employment conditions, on the first working day after July 26, 2021.

Long term management incentive plan

On July 26, 2018, the Board of Directors approved this long-term management incentive plan to allocate free preferred shares.

It is subject to continued employment and performance conditions based on a target share price and internal performance criteria based on a targeted EBITDA level.

Under the plan, 269,365 preferred shares vested in previous fiscal years, and 26,338 new preferred shares will vest in the 2019-2020 fiscal year.

RESTRUCTURING OF ASSETS HELD WITH SOITEC SINGAPORE

On March 29, 2019, the Company sold the receivables from our Singaporean subsidiary Soitec Microelectronics Singapore Pte Ltd. to Soitec Asia Holding Pte Ltd.

Soitec Asia Holding Pte Ltd. is a recently established Singapore-based company. It is wholly owned by our Company.

The main objective of this restructuring is to create a regional center in Asia.

The second objective is to recapitalize our Singaporean subsidiary, in order to strengthen its balance sheet.

The loss generated by these transactions amounted to €857 thousand recorded under Extraordinary profit/(loss) in the financial statements at March 31, 2019.

SUBSEQUENT EVENTS

Acquisition of EpiGaN

On May 13, 2019, the Company purchased 100% of EpiGaN, the leading European supplier of gallium nitride epitaxial plates (GaN), for €30 million in cash, with an earn-out based on the achievement of milestones. This acquisition will enable our Group to strengthen its foothold in the fast-growing 5G, power electronics and sensor segments. The market size for gallium nitride-based technologies is estimated to be between 500,000 and 1 million wafers per year over the next five years. In addition, the EpiGaN acquisition also creates further, complementary growth opportunities for our Group's Power-SOI products, given the use of gallium nitride in the design of power transistors.

EpiGaN booked revenue of €2 million in fiscal year ended December 31, 2018, and has 10 employees. Its equity amounted to €5.2 million as of December 31, 2018.

Intangible assets and Property, plant and equipment

Intangible assets mainly include softwares that are valued at purchase price and amortized on a straight-line basis over its estimated useful life of one to five years, and includes development projects for €16,713 thousand, capitalized in accordance with Article 311-3.2 of the General Accounting Plan.

Development costs are capitalized if the following criteria are met:

- our Company has the intention and technical ability to complete the development project;
- it is highly probable that the future economic benefits attributable to the development costs will flow to our Group, generally evidenced by current orders or contracts;
- the costs can be measured reliably;
- our Company has the capacity to use or sell the intangible asset;
- our Company has the necessary resources to complete the project.

R&D costs that do not fully meet the above criteria are recorded as expenses in the income statement of the fiscal year during which they are incurred.

Our Company has defined an eight-stage life cycle for R&D projects. Upon the completion of each stage (milestone), a decision is made to either continue or discontinue the project. The first five stages cover exploratory research (evaluation of technologies), while the following two phases correspond to product development, generally in conjunction with a potential customer. The final stage involves high-volume industrialization of the product.

Costs incurred during exploratory research phases are recognized in the income statement, development costs are capitalized if they meet the criteria, otherwise they remain expensed. Costs incurred in the industrialization phase are recognized in cost of sales.

Prototype sales and subsidies (including the research tax credit) relating to capitalized development costs are initially recorded as deferred income and then recognized in the income statement as and when the associated development costs are amortized.

Capitalized development costs, even if still in progress, are subject to impairment tests at least once a year.

Property, plant and equipment are valued at their purchase cost. Depreciation of tangible assets is calculated following the straight-line method over their useful life estimated as follows:

Buildings, fixtures and fittings	15 to 30 years
Equipment and tooling	3 to 8 years
Other fittings and fixtures	5 to 10 years
Transport equipment	5 years
IT and office equipment	3 to 7 years
Office furniture	5 to 10 years

Investments

Financial fixed assets include equity investments, receivables attached to investments, deposits and bonds, and treasury shares.

The investments are valued at their historic purchase price. At the end of the fiscal year, an review of the value was carried out consisting of analyzing the book value of these investments, mainly based on the remeasured net asset value or on the realizable value of the companies concerned. The lowest of these values is used in the balance sheet.

Thus, the value of the investments of our subsidiaries was adjusted in accordance with the results of the valuation tests on the economic situation of each of the subsidiaries.

During the 2018-2019 fiscal year, the Company increased its equity stake in:

- Technocom 2, by €150 thousand;
- Frec|n|sys by €490 thousand by way of current account capitalization;
- Exagan by €533 thousand; and
- Greenwaves by €2.8 million.

Our Company also acquired Dolphin Intégration assets and certain liabilities *via* the newly-formed Dolphin Design for €3 million, as presented under Highlights above.

Our Company set up five new companies: Soitec Asia Holding in Singapore, Soitec Newco 1, Soitec Newco 2, Soitec Newco 3 and Soitec Newco 4 in France. All these companies are wholly-owned by the Company.

› Summary of the Company's investments

Company (in € thousand)	Gross amount 3/31/2018	Depreciation 04/01/2018	Depreciation Change	Depreciation 3/31/2019	Net amount 3/31/2019
Holding					
Soitec USA Holding Inc.	17	-		-	17
Soitec Japan Inc.	2,637	-	-	-	2,637
Soitec Microelectronics Singapore Pte Ltd.	67,197	67,197	-	67,197	-
Soitec Korea LLC	328	-	-	-	328
Soitec Corporate Services SAS	1	-	-	-	1
Soitec Trading (Shanghai) Co. Ltd.	102	-	-	-	102
Frec|n|sys SAS	1,825	-	-	-	1,825
Concentrix Holding SAS	100	-	-	-	100
Dolphin Design SAS	3,000	-	-	-	3,000
Soitec Asia Holding Pte Ltd.	-	-	-	-	1
Soitec Newco 1 SAS	1	-	-	-	1
Soitec Newco 2 SAS	1	-	-	-	1
Soitec Newco 3 SAS	1	-	-	-	1
Soitec Newco 4 SAS	1	-	-	-	1
Ceotis Éclairage SAS	-	281	(281)	-	-
Cissoid	340	340	-	340	-
Technocom 2	2,175	279	65	344	1,831
Exagan SAS	1,439	-	-	-	1,439
Shanghai Simgui Technology Co. Ltd.	4,441	-	-	-	4,441
Greenwaves Technologies SAS	3,299	-	-	-	3,299
TOTAL	**86,905**	**68,097**	**(216)**	**67,881**	**19,024**

Shares representing the equity stake in Technocom 2 were subject to an impairment charge of €65.3 thousand.

The Company sold its equity stake in Ceotis Éclairage for a symbolic amount of €1, and reversed the €281 thousand provision it had set aside on its shares.

During the year, the Company granted a current account advance to its subsidiary Concentrix Holding in the amount of €750 thousand, as well as to its new subsidiary Dolphin Design in the amount of €600 thousand. These advances are interest-bearing.

The Company has decided to increase the capital of its subsidiary Frec|n|sys by offsetting the receivable held against current accounts in an amount of €490 thousand. It has also signed an agreement with a financial recovery clause providing for the waiver of part of its current account receivable on €150 thousand as of March 29, 2019.

Summary of provisions for impairment of receivables on investments:

Company (in € thousand)	Gross amount 3/31/2018	Impairment 04/01/2018	Impairment Change	Impairment 3/31/2019	Net amount 3/31/2019
Receivables from holdings					
Soitec Microelectronics Singapore Pte Ltd.	2,207	27,035	(27,035)*	-	2,207
Soitec Asia Holding Pte Ltd.	127,205	-	-	-	127,205
Concentrix Holding SAS	750	-	-	-	750
Ceotis Éclairage SAS	214	180	-	180	34
Frec|n|sys SAS	620	-	-	-	620
Dolphin Design SAS	-	600-	-	-	600
TOTAL	**131,596**	**27,215**	**(27,035)**	**180**	**131,416**

* *Reversal of provision for trade receivables held by Soitec Microelectronics Singapore Pte Ltd. - see transaction detailed under Highlights.*

As of March 31, 2019, our Company had a portfolio of 5,077 treasury shares.

	March 31, 2019
Number of treasury shares	5,077
Gross value *(in € thousand)*	432
Unrealized capital loss *(in € thousand)*	(73)

Inventories

Inventories of raw materials, consumables and goods are valued at their purchase cost. A provision for impairment is booked for obsolete or surplus items.

Inventories of finished goods are valued at production cost except for those whose cost exceeds their selling price during the start-up phase of production and that of obsolete or surplus items.

A provision for impairment writes down the carrying amount of finished goods to their realizable value less proportionate selling expenses.

Semi-finished products are valuated using the same principles depending on their step of progress in the manufacturing process.

They are broken down as follows:

Inventory category (in € thousand)	Gross values	Amount of impairment	Net values
Raw materials	25,064	2,036	23,028
Consumables	15,824	3,430	12,394
Semi-finished products	12,473	472	12,001
Finished products	18,160	466	17,694
Goods	663	172	491

Receivables

Trade receivables, which generally fall due between 30 and 90 days, are recognized at face value.

These receivables are then carried at amortized cost, less any impairment losses on non-recoverable amounts. An impairment loss is recognized whenever there is an objective indication that our Company may not be able to recover its receivables. Identified non-recoverable receivables are written off in full.

Provisions for impairment of doubtful receivables decreased of €172 thousand over the year, due to the agreement entered into by our Company and Ceotis Éclairage to offset receivables and payables.

Other receivables

Other receivables related to tax and social security receivables, as well as grants receivable amounting to €10,239 thousand. These primarily include the following programs:

- “Allegro”, amounting to €571 thousand;
- “Waytogofast”, amounting to €1,312 thousand;
- “Reference”, amounting to €779 thousand;
- “OCEAN12”, amounting to €981 thousand; and
- “Nano 2022”, amounting to €6,315 thousand.

The “State and local authorities” item includes a Research Tax Credit of €50,997 thousand.

The competitiveness-employment tax credit (CICE) receivable at March 31, 2019 amounted to €4,344 thousand, comprising CICE receivables from 2015, 2016, 2017 and 2018. The 2015 receivable, secured with Bpifrance, will be the subject of a repayment request by them, and the unused portion will be repaid to us by Bpifrance in the amount of €48 thousand.

All CICE receivables were pre-financed by Bpifrance Participations, for a total amount of €4,117 thousand.

The purpose of the CICE is to finance the competitiveness of companies, particularly through efforts relating to investments, research, innovation, training, recruitment, prospecting new markets and rebuilding working capital.

It can neither finance an increase in dividends nor increase executive management compensation.

Income from the CICE was recorded as a reduction of personnel-related costs.

Liquid assets and marketable securities

Cash and cash equivalents primarily consist of interest-bearing accounts and term deposits readily convertible into cash that are not exposed to a significant interest rate risk and that are available at any time.

Cash at bank is principally denominated in Euros (96.6% of the total) and in US dollars (3.1% of the total).

The amount of this item at March 31, 2019 was €45 million for term deposits and €95.0 million for cash, compared to €40 million and €66.5 million respectively at the end of the previous year.

Currency translation adjustments

Expenses and earnings in foreign currencies are recorded at their average exchange value at the date of the transaction of the previous month.

Debts, receivables and cash in foreign currencies are recorded on the balance sheet at the exchange rate at the end of the fiscal year.

The difference resulting from this update of the value of debts and receivables in foreign currencies is recorded on the balance sheet as a “currency translation adjustment.” Unrealized foreign exchange losses, which are not hedged, are subject to provisions for liabilities and charges. It amounted to €515 thousand at fiscal year end.

Changes in the value of isolated open positions were recorded in the balance sheet as a currency translation adjustment of €1,581 thousand, and unrealized foreign exchange losses were covered by a provision for liabilities and charges in an amount of €1,581 thousand at March 31, 2019.

Debt issue expenses

A new OCEANE convertible bond maturing in 2023 was issued on June 28, 2018 for an amount of €150 million.

Costs relating to the bond issue of €2,426 thousand will be amortized over five years. The amortization charge recognized for the past year amounted to €364 thousand.

Total equity

As at March 31, 2019, the number of shares issued by our Company was 31,636,932.

This includes 31,367,567 ordinary shares with a par value of €2.00 each and 269,365 preferred shares with a par value of €0.10 each.

Other equity

During the year, our Company repaid €1,125 thousand of the advance received for the “Nanosmart” program, and made a payment of €1,955 thousand to its “Allégro” project.

Loans and financial debts

On June 28, 2018, our Company issued convertible bonds into or exchangeable for new or existing shares (OCEANEs) with a maturity date of June 28, 2023, in the amount of €150 million.

Financial Instruments

HEDGING DERIVATIVE INSTRUMENTS

Our Company hedges its currency risk on some of its transactions denominated in US dollars and Japanese yen through derivatives (forward sales, options contracts). These derivative instruments are solely designed to hedge currency risks on fixed commitments or highly probable future transactions.

Attributable transaction costs are recognized in the income statement when incurred.

In the absence of a hedging relationship, after initial recognition:

- realized gains and losses resulting from foreign exchange derivatives are recognized immediately in the income statement;
- net unrealized losses, calculated on an instrument-by-instrument basis, are fully provisioned; unrealized gains are not recognized in accordance with the principle of prudence.

If the instrument is used for hedging purposes, the income and expenses resulting from the use of these instruments are recorded symmetrically to the recording of the expenses and income from the hedged transactions:

- gains and losses resulting from derivatives used to hedge firm commitments or identifiable future transactions are deferred and taken into account in the valuation of the transaction concerned which occurs when it is unwound.

At March 31, 2019, our Company recorded a provision for risk on the forward market of €1,581 thousand.

The following table shows the existing financial instruments at March 31, 2019, and March 31, 2018, to hedge currency risks:

		March 31, 2019		March 31, 2018	
Type of contract *(in € thousand)*	**Currency**	**Market value (net)**	**Hedged position**	**Market value (net)**	**Hedged position**
Hedging of balance sheet items:		**(3,296)**	**-**	**2,753**	**-**
of which eligible for hedge accounting (hedging of trade receivables):		(1,714)	-	2,755	
Forward sales	USD to EUR	(1,726)	73,296	1,418	10,145
Options	USD to EUR	12	14,241	1,337	11,540
of which not eligible for hedge accounting:		(1,581)	-	(2)	
Forward sales (hedging of trade receivables)	USD to EUR	(690)	6,231	-	-
Options	USD to EUR	(892)	14,241		
Forward purchases (hedging of trade payables)	JPY to EUR	-	-	(2)	1,587
Cash flow hedges:		**1**	**-**	**11,215**	**-**
of which eligible for hedge accounting:		1	-	11,371	-
Forward sales	USD to EUR	1	135	5,374	60,872
Options	USD to EUR	-	-	5,997	67,188
of which not eligible for hedge accounting:		-	-	(156)	-
Options	USD to EUR	-	-	(156)	78,727
TOTAL HEDGES		**(3,295)**	**-**	**13,968**	**-**

The maturities of hedging financial instruments fall within the first half and second half of the 2019-2020 fiscal year.

The market value was estimated using one or more commonly used models.

The market value of financial instruments recognized in our Company's financial statements as at March 31, 2019 amounted to €1,581 thousand (as cash instruments), relating to the hedging of balance sheet items and future cash flows. These options and forward sales are not eligible for hedge accounting, with hedged positions amounting to €20,607 thousand.

CURRENCY RISK

Our Company's policy on exposure to currency risk on its future trading transactions is to hedge a substantial portion of the currency risk at the end of the fiscal year by using derivative instruments on the basis of operating budgets.

All of our Company's future cash flows are subject to detailed forecasts for the coming fiscal year, and the next four years as part of the Business Plan. The currency risks identified are hedged by forward sales or options contracts, in order to minimize the currency position.

Our Company' Cash Management Department is entitled to hedge the exchange rate on cash flow forecasts (taking into account available credit lines), based on cash flow forecasts using forward contracts or options.

The useful life of these instruments matches the settlement flows.

However, our policy is not to use instruments for speculative purposes.

Currency risk on EUR/ZAR remains unhedged.

The exchange rates of our Company's three main currencies at March 31, 2019 were as follows:

- EUR/USD: €1 for US$1.1235 (€1 for US$1.2321 at March 31, 2018);
- EUR/JPY: €1 for JPY110,77 (€1 for JPY131.15 at March 31, 2018);
- EUR/ZAR: €1 for ZAR16.2642 (€1 for ZAR14.621 at March 31, 2018).

CREDIT RISK

The financial instruments on which our Company potentially incurs a credit risk are mainly cash, liquid assets subject to restrictions, and trade receivables. Our Company has implemented a cash flow management policy with the objective of optimizing its investments in short-term and low-risk financial liquid instruments. Our Company's credit lines are mainly held with major international financial institutions.

Our Company markets its products to participants in the semiconductor industry, mainly located in the United States, Asia and Europe. At March 31, 2019, six customers individually represented more than 5% of sales, and together accounted for 84% of sales.

The Company frequently assesses its customers' credit risk and financial position and allocates provisions for potential losses on receivables that cannot be recovered. There have not been any significant losses recorded to date.

EQUITY RISK

With the exception of its 5,077 treasury shares, our Company does not have any non-consolidated holdings or marketable securities on a regulated market.

LIQUIDITY RISK

Our Company's financing is based on long-term borrowing from capital markets (convertible bond issues and capital increases), finance leases for capital spending and confirmed credit lines.

CONFIRMED CREDIT LINES

Bank credit lines (€29.8 million as of March 31, 2018) restructured to be amortized on a straight-line basis until 2021 (four residual annual installments of €7.44 million), were fully repaid on June 28, 2018.

Our Company has entered into new bank credit line agreements worth €35 million with three banks. They had not been drawn down as at March 31, 2019. These credit lines are amortized over a period of three to five years. They bear a commitment fee of 0.20%, and a utilization fee ranging from EURIBOR +0.70% to +0.80% depending on the credit lines. No covenant is attached.

Within the framework of the financing of receivables on the research tax credit and CICE, our Company signed credit lines with Bpifrance for a total amount of €32.4 million to mature between September 2019 and September 2022. These credit lines carry a commitment fee of 0.30%, plus a utilization fee of 1-month EURIBOR +0.70%.

Revenue recognition

Revenue recognition comes mainly from the sales of products. It is supplemented by license income. Revenue is recognized when it is probable that future economic benefits will flow to our Company and the revenue can be measured reliably.

The revenue recognition criteria vary depending on the nature of the services provided by our Company:

- sales of silicon wafers are recorded as earnings when the transfer of risks and benefits takes place pursuant to the terms and conditions of sale specified in customer contracts;
- licensing revenue is recognized on a straight-line basis over the period during which the rights are granted or may be recognized on the basis of a percentage of sales as defined in the contract. When the license agreements provide, in addition to royalties, for payments of advances or interim invoices allowing for the financing of the developments implemented to respond to the specific needs of a customer, these are recorded as earnings over the foreseeable duration of the use by the customer of the transferred technology.

At March 31, 2019, deferred income consisted of royalties to be recognized in the income statement for €2 million, as well as sales of prototypes and research tax credits relating to capitalized development costs (for €3.9 million and €3 million respectively).

R&D expenses

R&D costs are recorded either in income statement or in balance sheet as intangible assets. Capitalized development costs are discussed in the 'Intangible assets' section.

R&D costs recognized in income statement are essentially made up of the following:

- salaries and social charges;
- operating costs of clean room equipment and equipment required for R&D;
- material used for finalizing and manufacturing prototypes;
- subcontracting to public research centers or private laboratories, cooperation agreements;
- costs related to maintaining and strengthening the Company's intellectual property rights.

This year, our Company recognized close to €14.8 million in R&D costs.

Provided that such agreements are signed and the administrative authorizations are obtained, the amounts received under the subsidies contracts are recognized as operating grants.

Support for R&D activities may also take the form of repayable advances.

Our Company receives research tax credits ("CIR").

The amount of the research tax credit granted is reduced by the grants collected during a calendar year for the projects concerned. The amount of the research tax credit received may thus vary from one period to the next depending on the level of grants received.

Research tax credits recorded in the financial statements for the 2018 calendar year totaled €12.3 million.

Pension costs

RETIREMENT INDEMNITIES AND RELATED BENEFITS

French law provides for a payment of a lump-sum retirement indemnity. This indemnity is determined depending on the years of service and the level of compensation at the time of retirement. Only employees who reach retirement age while on our Company's headcount are entitled to this indemnity. Our Company has entered into an agreement to complementary statutory retirement benefits.

OTHER PENSION PLANS

In addition to statutory benefits, our Company has granted a complementary pension plan to certain employees. This defined benefit plan is managed by an outside agency.

Defined benefit plans (Article 83 of the French General Tax Code) are measured on an actuarial basis using the projected unit credit method, which factors in demographic assumptions (salary trends, age upon retirement, staff turnover, mortality rate) and financial assumptions (discount rate and inflation rate).

For defined contribution plans (Article 39 of the French General Tax Code), payments are recognized as costs of the fiscal year to which they relate. There are no actuarial liabilities to this end.

The different calculations required to value pension commitments were performed using a discount rate of 1.05%, social security contributions of 51% for managers and technicians and 46% for operators.

Retirement age assumptions range from 62 to 65 years, depending on the socio-professional category.

The mortality table used to calculate the retirement age is presented below:

Age at the calculation date	Manager	Office workers and technicians	Laborer
20 years	92.5%	93.5%	94.0%
25 years	92.6%	93.6%	94.1%
30 years	92.7%	93.7%	94.2%
35 years	92.9%	93.9%	94.4%
40 years	93.2%	94.2%	94.7%
45 years	93.6%	94.7%	95.2%
50 years	94.5%	95.5%	96.0%
55 years	95.7%	96.8%	97.3%
60 years	97.5%	98.6%	99.1%

Our Company's pension commitment at March 31, 2019 amounted to €11,756 thousand up from €9,212 thousand at March 31, 2018.

Provisions

A provision is recognized when our Company has a present (legal or constructive) obligation arising from a past event, the amount of which can be estimated reliably, and the settlement of which is expected to result in an outflow of resources embodying economic benefits for our Company. The provisions are updated when the impact of the update is significant.

A provision for restructuring is only recognized when there is an implicit obligation to a third party, originating from a decision of Management materialized before fiscal year-end by the existence of a detailed and formalized plan and the announcement of this plan to the persons concerned.

The other provisions correspond to risks and charges identified specifically:

(in € thousand)	
Provisions for disputes: HR claims, URSSAF, penalties and fines	1,758
Provisions for foreign exchange losses	515
Provision for risk on futures market	1,581
Provisions for restructuring	335
Other provisions for expenses	-

Related party disclosures

The semiconductor market is known for its limited number of participants, meaning that our Company maintains or is likely to maintain business relationships with Shin-Etsu Handotaï, Global Foundries, Shanghai Simgui Technology Co. Ltd. ("Simgui"), and the French Atomic Energy and Alternative Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* - CEA). Some of our directors, namely Messrs. Satoshi Onishi, Douglas Dunn, Nabeel Gareeb, Weidong Ren and Christophe Gegout hold or have held positions within these companies, as described in the individual summaries presented in section 4 of this Registration Document.

SHIN-ETSU HANDOTAÏ CO. LTD

Since the close of the fiscal year ended March 31, 2015, an €18 million pledge on inventories has been granted to Shin-Etsu Handotaï Co. Ltd.

During the year ended March 31, 2019, purchases of raw materials from Shin-Etsu Handotaï represented €129,628 thousand (€82,426 thousand in the year ended March 31, 2018). A multi-year contract has also been signed to guarantee the supply of raw materials over the next few years, for which an off-balance sheet commitment of US$30 million has been reported in the notes to our Company's statutory financial statements.

Our Company invoiced €3,944 thousand to Shin-Etsu Handotaï in respect of fiscal year 2018-2019 (€3,248 thousand for fiscal year 2017-2018).

OTHER RELATED PARTIES

Global Foundries is one of our main customers; sales of wafers amounted to $60.9 million for the 2018-2019 fiscal year ($15 million for the 2017-2018 fiscal year).

In fiscal 2018-2019, our Company paid the CEA €5,317 thousand under the R&D contract (€5,241 thousand in fiscal year 2017-2018) and €5,020 thousand in patent royalties (€4,247 thousand in fiscal year 2017-2018).

During the year, our Company paid Simgui US$23.7 million for the purchase of 200 mm SOI wafers ($9.1 million in 2017-2018).

Our Company invoiced Simgui US$500,000 for the service contract, US$19.3 million for silicon substrates and $246,000 in fees for Simgui's sales on the Chinese market in the first year (compared to $1 million and $7.7 million respectively in 2017-2018).

Our Company invoiced clean room services to Exagan, where our Chief Executive Officer, Paul Boudre, is the permanent representative of our Company, which is one of the director. These invoices amounted to €404 thousand in 2018-2019 (up from €398 thousand in 2017-2018).

As of March 31, 2019, the Executive Committee (EXCom) had eleven members (ten members are employees of our Company, one is employee of Soitec Mircolectronics Sinapore Pte Ltd.), excluding corporate officers (nine as of March 31, 2018). The total gross compensation paid by our Company to executives of the EXCom, excluding corporate officers, and including direct and indirect benefits of executived was €2.6 million for the fiscal year ended March 31, 2019.

(in € thousand)	March 31, 2019	March 31, 2018
Short-term benefits	2,624	2,656
Post-employment benefits	-	-
Share-based payment*	-	7,731
TOTAL GROSS REMUNERATION PAID TO GROUP MANAGEMENT OF OUR COMPANY	**2,624**	**10,387**

The gross compensation allocated to corporate officers and non-employee directors is as follows:

(in € thousand)	March 31, 2019	March 31, 2018
Short-term benefits	1,283	1,031
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payment*	-	1,871
TOTAL COMPENSATION AWARDED TO CORPORATE OFFICERS	**1,283**	**2,902**
Directors' fees paid	654	406
Reimbursement of travel expenses	52	72
TOTAL COMPENSATION AWARDED TO CORPORATE OFFICERS AND NON-EXECUTIVE DIRECTORS	**1,989**	**3,380**

Statutory auditors' fees

The total amount of statutory auditors' fees recorded in the income statement for the fiscal year was €435.5 thousand. These fees include the certification and examination of the consolidated financial statements and of the individual financial statements for €420 thousand and the performance of other duties and services directly pertaining to the audit for €15.5 thousand.

Balance sheet and income statement information

Fixed assets

Items *(in € thousand)*	Gross value beginning of year	Revaluation	Acquisitions
Other intangible fixed asset items	**51,393**	**-**	**18,069**
Land	1,786	-	325
Land constructions	6,920	-	318
Technical installations, equipment and industrial tools	210,141	-	26,602
General installations, fixtures, fittings	52,842	-	1,047
Transport equipment	73	-	16
Office, IT equipment and furniture	10,787		1,236
Tangible fixed assets in the process of construction	18,464	-	60,573
Tangible fixed assets	**301,013**	**-**	**90,117**
Other holdings	155,301	-	225,886
Loans and other financial investments	590	-	1
Investments	**155,891**	**-**	**225,887**
GRAND TOTAL	**508,297**	**-**	**334,073**

Items *(in € thousand)*	Reclassifications	Assignment, decommissioning	Gross value end of year
Other intangible fixed asset items	**-**	**34**	**69,428**
Land	-	300	1,812
Land constructions	-	-	7,238
Technical installations, equipment and industrial tooling	-	17,816	218,927
General installations and various fixtures	-	60	53,829
Transport equipment	-	-	89
Office, IT equipment and furniture	-	-	12,022
Tangible fixed assets in the process of construction	29,544	21,770	27,722
Tangible fixed assets	**29,544**	**39,946**	**321,639**
Other holdings	-	162,686	218,501
Loans and other financial investments	-	-	592
GRAND TOTAL	**29,544**	**202,666**	**610,160**

Depreciation

Items *(in € thousand)*	Beginning of the fiscal year	Expenses	Reversals	End of the fiscal year
Other intangible assets	**44,676**	**1,358**	**34**	**46,000**
Land	-	163	-	163
Land constructions	3,657	425	-	4,082
Technical installations, equipment, tooling	176,282	11,252	12,819	174,715
General installations and fixtures	31,050	2,823	32	33,840
Transport equipment	73	3	-	76
Office, IT equipment and furniture	10,235	445	-	10,681
Tangible fixed assets	**221,297**	**15,110**	**12,851**	**223,556**
GRAND TOTAL	**265,973**	**16,468**	**12,885**	**269,556**

Breakdown of expenses *(in € thousand)*	**Reversals of accelerated tax depreciation**
Other intangible assets	**129**
GRAND TOTAL	**129**

Costs spread over several fiscal years *(in € thousand)*	**Beginning of the fiscal year**	**Increases**	**Expense for the period**	**Net amount at end of fiscal year**
Costs to be spread over several fiscal years	-	2,426	364	2,062

Provisions in the balance sheet

Items *(in € thousand)*	**Beginning of the fiscal year**	**Expenses**	**Reversals**	**End of the fiscal year**
Special depreciation allowances	650	-	129	521
Regulated provisions	**650**	**-**	**129**	**521**
Provisions for litigation	1,795	298	335	1,758
Provisions for losses on forward markets	158	1,581	158	1,581
Provisions for fines and penalties	288	-	288	-
Provisions for foreign exchange losses	8	515	8	515
Provisions for restructuring	585	-	250	335
Other provisions for contingencies and charges	448		448	-
Provisions for contingencies and expenses	**3,282**	**2,395**	**1,487**	**4,190**
Provisions for intangible fixed assets	237	-	-	237
Provisions for tangible fixed assets	9,277	414	2,113	7,578
Provisions for equity loans	68,097	65	281	67,881
Provisions for other investments	27,326	73	27,146	253
Provisions for inventory and work-in-progress	6,213	6,576	6,213	6,576
Provisions for customer accounts	476	-	172	304
Provisions for impairment	**111,626**	**7,128**	**35,925**	**82,829**
GRAND TOTAL	**115,558**	**9,523**	**37,541**	**87,540**
Operating expenses and reversals	-	7,288	9,628	-
Financial expenses and reversals	-	2,235	558	-
Exceptional contributions and recoveries	-	-	27,355	-

Receivables and payables

Receivables statement *(in € thousand)*	**Gross amount**	**Less than 1 year**	**More than 1 year**
Receivables linked to investments	131,596	131,416	180
Other financial assets [(a)]	592	518	73
Doubtful and disputed trade receivables	304	304	-
Other trade receivables	130,132	130,132	-
Staff and related accounts	45	45	-
Social security and other social agencies:			
• State and other local authorities: income tax	55,341	12,824	42,517
• State, other local authorities: VAT	457	457	-
• State, other local authorities: miscellaneous receivables	10,240	10,240	-
Other debtors	1,342	1,342	-
Prepaid expenses	1,078	1,078	-
GRAND TOTAL	**331,125**	**288,355**	**42,770**
(a) Amount:			
• *of loans granted during the year;*	-	-	-
• *of repayments obtained during the year.*	-	-	-

Debt statement *(in € thousand)*	Gross amount	Less than 1 year	More than 1 year but less than 5 years	Longer than five years
Convertible bonds [a]	150,000	-	150,000	-
Loans and debts of 1 year maximum initially	32,602	10,381	22,221	-
Prepayments received on orders	246	246	-	-
Trade payables and related accounts	59,027	59,027	-	-
Staff and related accounts	17,811	17,811	-	-
Social security and other social agencies	12,129	12,129	-	-
State and other local authorities: income tax	9,337	9,337	-	-
State and other local authorities: VAT	11,086	11,086	-	-
State and other local authorities: other duties, taxes and related payments	4,913	4,913	-	-
Amount due on fixed assets and related accounts	11,515	11,515	-	-
Group and related parties	11,571	8,914	2,657	-
Other liabilities	3,118	3,118	-	-
Treasury instruments	1,581	1,581	-	-
Pre-paid income	8,897	382	6,150	2,365
GRAND TOTAL	**333,834**	**150,441**	**181,028**	**2,365**

(a) Loans	
• *taken out during the year;*	*150,000*
• *repaid during the year.*	*29,760*

Items relating to several balance sheet items

Items *(in € thousand)*	Affiliates	Holdings
Total non-current assets		
Holdings	8,015	11,009
Receivables linked to holdings	131,382	34
Current assets		
Customer receivables and related accounts	35,956	211
Other receivables	199	-
Debts		
Trade payables	3,941	2,066
Amount due on fixed assets and related accounts	11,571	-

Currency translation adjustments on receivables and payables in foreign currencies

Type of adjustments *(in € thousand)*	Asset – Unrealized losses	Adjustments offset by currency hedging	Provisions for foreign exchange losses	Liabilities – Unrealized gains
Investments		-		22
Receivables	248	-	248	354
Financial debt	1,581	-	1,581	-
Operating debts	267	-	267	6
TOTAL	**2,096**	**-**	**2,096**	**382**

Composition of the share capital

Categories of securities	Number of shares			Par value
	At fiscal year-end	Created during the fiscal year	Redeemed during the fiscal year	
Ordinary shares	31,367,567	-	-	€2
Preferred shares	269,365	-	-	€0.10

Changes in equity (in € thousand)

Position at the beginning of the fiscal year		Balance
EQUITY BEFORE DISTRIBUTION ON PREVIOUS EARNINGS	**-**	**201,839**
EQUITY AFTER DISTRIBUTION ON PREVIOUS EARNINGS	**-**	**201,839**
Changes during the fiscal year	**Minus**	**Plus**
Changes in regulatory provisions	129	-
Other changes: Period earnings	-	108,460
BALANCE	**-**	**108,331**
Position at the end of the fiscal year	**-**	**Balance**
EQUITY BEFORE DISTRIBUTION	**-**	**310,170**

Appropriation of earnings submitted for approval of the Shareholders' General Meeting

(in € thousand)		Amount
1 – Origin		
Period earnings		108,460
including current earnings after tax	107,939	
TOTAL		**108,460**
2 - Appropriations		**Amount**
Statutory reserve		506
Retained earnings		107,954
TOTAL		**108,460**

Provisions for contingencies and expenses

	Position and changes				
			Decreases		
Items *(in € thousand)*	Provisions at the start of the fiscal year	Increases in expenses for the fiscal year	Amounts used during the fiscal year	Amounts not reversed in the fiscal year	Provisions at the end of the fiscal year
Labor disputes	634	173	250	85	472
Other litigation	1,449	125	32	256	1,286
Risk on futures market	158	1,581	158	-	1,581
Foreign exchange loss	8	515	-	8	515
Restructuring	585	-	246	4	335
Other expenses (obsolete equipment rent)	257	-	-	257	-
Other expenses (restoration)	192	-	192	-	-
TOTAL	**3,283**	**2,395**	**878**	**609**	**4,190**

Average headcount

Headcount	Salaried personnel	Personnel at disposal of the Company
Operators	353	-
Technicians and office workers	354	-
Engineers and executives	346	-
TOTAL	**1,053**	**-**

Breakdown of revenue

Items *(in € thousand)*	Revenue France	Revenue Export	Total March 31, 2019	Total March 31, 2018	% 2019/2018
By geographic market	45,755	402,939	448,694	296,034	52%

Extraordinary income and expenses

Breakdown of extraordinary income and expenses *(in € thousand)*	Expenses	Income
771700 Extraordinary income tax relief	-	509
Extraordinary income on management transactions	**-**	**509**
775000 Income from disposal of assets	-	28,521
775600 Extraordinary income from the disposal of financial assets	-	127,396
Extraordinary income on capital transactions	**-**	**155,917**
787250 Reversal of special provisions for depreciation	-	129
787500 Reversals of exceptional provisions*	-	27,226
Reversals on provisions and transfer expenses	**-**	**27,355**
671000 Extraordinary management operating costs	1	-
671200 Penalties and fines	40	-
672000 Extraordinary expenses in previous years	405	-
Extraordinary costs on management transactions	**446**	**-**
675000 Disposal of operating assets	27,094	-
675600 Exceptional expenses on asset disposals	155,570	-
678000 Miscellaneous extraordinary costs	150	-
Extraordinary costs on capital transactions	**182,814**	**-**
GRAND TOTAL	**183,260**	**183,781**

On March 29, 2019, our Company sold its receivables related to its holding in its Singaporean subsidiary Soitec Microelectronics Singapore Pte Ltd. to Soitec Asia Holding Pte Ltd. for a price of €127,396 thousand. The net result on this sale – a loss of €857 thousand was recorded under the extraordinary result so as not to distort the reading of current result and extraordinary result.

Deferred and unrealized tax position

Items *(in € thousand)*	Amount
Tax due on:	
Currency translation adjustment: Assets	722
TOTAL INCREASES	**722**
Prepaid tax on:	
Temporary non-deductible costs (to be deducted the following year):	
Organic	89
Currency translation adjustment	722
Other (Provision for risks and litigation)	842
Other: pension plans	4,047
TOTAL TAX RELIEF	**5,701**
Net deferred tax position	**(4,979)**
Credit to be charged to:	
Deficits carried forward *(in € thousand)*	(240,692)
Net underlying tax position	**240,692**

Financial commitments, other information

Leasing commitments

Items *(in € thousand)*	**Land**	**Buildings**	**Equipment and tooling**	**Other fixed assets**	**Total**
Initial value	**-**	**-**	**44,094**	**-**	**44,094**
Depreciation					
Running for previous fiscal years	-	-	10,022	-	10,022
Current fiscal year	-	-	3,357	-	3,357
Total	**-**	**-**	**13,379**	**-**	**13,379**
NET VALUE	**-**	**-**	**30,715**	**-**	**30,715**
Royalties paid					
Running for previous fiscal years	-	-	11,943	-	11,943
Current fiscal year	-	-	3,473	-	3,473
Total	**-**	**-**	**15,416**	**-**	**15,416**
Royalties to be paid					
Less than 1 year	-	-	6,309	-	6,309
More than 1 year and less than 5 years	-	-	23,298	-	23,298
More than 5 years	-	-	1,635	-	1,635
Total	**-**	**-**	**31,242**	**-**	**31,242**
RESIDUAL VALUE	**-**	**-**	**-**	**-**	**-**
Amount accounted for in the fiscal year	-	-	3,406	-	3,406

Off-balance sheet commitments

Items *(in € thousand)*		**Off-balance sheet amount**
Guarantees and bonds (customs)		133
Pension plans obligations		11,756
Other commitments given		288,441
of which		
Long-term lease commitments	*80*	
Guarantees given	*232,359*	
*Other commitments**	*38,002*	
*Pledge on inventory**	*18,000*	
TOTAL		**300,330**

* *A pledge of €18 million on inventories and a contractual compensation commitment of €24 million were given as security for Shin-Etsu Handotaï's long-term commitment to supply raw materials, as well as €11.3 million with Sumco.*

Contingent liabilities consist of a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation for which an outflow of resources is unlikely. Contingent liabilities are not recognized but are disclosed in the notes.

As of March 31, 2019, guarantees/pledges/commitments given amounted to €232 million and the main beneficiaries are:

- a comfort letter for €191.4 million granted by the Company to its subsidiary Soitec Microelectronics Singapore Pte Ltd., under which the Company undertakes to support its subsidiary so that it can continue operating and cover its liabilities;
- a guarantee agreement with an equipment supplier for €0.5 million;
- the project company for the Touwsrivier solar power plant (CPV Power Plant no. 1): €30.0 million;
- the buyers of the Desert Green and Rians solar power plants: €3.2 million;
- notice of mortgage intent: €7.2 million.

Principal commitments given to subsidiaries (guarantees and sureties)	**Amount** *(in € thousand)*
Soitec Solar US	3,160
Soitec Singapore	191,366
Soitec Solar RSA	30,000

Principal commitments given on behalf of Soitec S.A. (guarantees and sureties)	**Amount** *(in € thousand)*
Pledge of the SEH inventory	18,000
Contractual commitment from SEH and Sumco	38,002
Notice of mortgage intent	7,200

List of subsidiaries and holdings

Name Registered office	Share capital Total Equity *(in local currencies)*	Held by the Group Dividends received	Gross value of shares Net value of shares *(in €)*	Loans & advances Guarantees *(in €)*	Revenue Net income *(in €)*
Subsidiaries (more than 50%)					
Soitec Microelectronics Singapore Pte Ltd. 81 Pasir Ris Industrial Drive 1 Singapore 518220 Singapore	93,395,220 (55,175,306)	100% -	67,197,054 -	2,207,535 -	149,146,572 (3,397,167)
Soitec Asia Holding Pte Ltd. 81 Pasir Ris Industrial Drive 1 Singapore 518220 Singapore	1 1	100% -	1 1	127,205,077 -	- -
Soitec Japan Inc. West Tower 20F, Otemachi First Square 1-5-1 Otemachi, Chiyoda-Ku Tokyo Japan 100-0004	300,500,000 659,275,088	100% -	2,636,988 2,636,988	- -	21,766,558 1,261,076
Soitec Korea LLC Kyunggi-do hwasung-si Bansong Dong 93-10 Shinyoung Gwell South Korea	500,000,000 669,397,933	100% -	328,483 328,483	- -	- 21,836
Soitec Trading (Shanghai) Co. Ltd. 3261 Dong Fang Road Shanghai China	860,594 954,464	100% -	102,138 102,138	- -	- 6,415
Soitec USA Holding Inc. 11182 El Camino Real, Suite 260 San Diego CA 92130 United States	1,000 274,825,448	100% -	16,796 16,796	- -	- 26,193,440
Frec|n|sys SAS 18 rue Alain Savary 25000 Besançon France	522,500 278,667	100% -	1,825,287 1,825,287	619,753 -	534,603 (38,065)
Soitec Corporate Services SAS Parc Technologique des Fontaines Chemin des Franques 38190 Bernin France	1,000 (12,893)	100% -	1,000 1,000	- -	- (3,007)
Soitec NewCo 1 SAS Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000 1,000	100% -	1,000 1,000	- -	- -
Soitec NewCo 2 SAS Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000 1,000	100% -	1,000 1,000	- -	- -
Soitec NewCo 3 SAS Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000 1,000	100% -	1,000 1,000	- -	- -
Soitec NewCo 4 SAS Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	1,000 1,000	100% -	1,000 1,000	- -	- -
Concentrix Holding SAS Parc Technologique des Fontaines Chemin des Franques 38190 Bernin – France	100,000 (461,548,663)	100% -	100,000 100,000	750,000 -	- (39,458,663)
Dolphin Design SAS Immeuble Le Taillefer 1 bis A et 2 A chemin du Pré Carré 38240 Meylan France	5,000,000 5,543,805	60% -	3,000,001 3,000,001	600,000 -	10,147,965- 543,805
Holdings (10% to 50%)					
Exagan SAS 7 parvis Louis Néel 38040 Grenoble Cedex 9 France	108,256 4,061,339	15.24% -	1,438,471 1,438,471	- -	373,248 (864,610)

Name Registered office	Share capital Total Equity *(in local currencies)*	Held by the Group Dividends received	Gross value of shares Net value of shares *(in €)*	Loans & advances Guarantees *(in €)*	Revenue Net income *(in €)*
Holdings below 10%					
Technocom 2 23, Rue Royale 75008 Paris France	21,944,478 22,879,104	8% -	2,175,000 1,830,516	- -	- (298,472)
Shanghai Simgui Co. Ltd. 200, Puhui Road Jiading District Shanghai China	315,000,000 722,705,585	2.7% -	4,440,962 4,440,962	- -	93,996,468 249,587
Greenwaves Technologies SAS Pépinière des entreprises Bergès Avenue des Papeteries 38190 Villard Bonnot France	1,774,551 11,546,762	16.58% -	3,298,873 3,298,873	- -	413,949 (39,362)
Cissoid Chemin du Cyclotron 6 B-1348 Louvain La Neuve Belgium	1,706,054 1,579,121	0.19% -	339,903 -	- -	1,059,000 (266,890)

* *Soitec USA LLC, formerly Soitec USA Inc., is wholly-owned by Soitec USA Holding Inc. (formerly Soitec Solar Inc.), and indirectly by Soitec S.A.*

In the table presented above, the share capital and equity of subsidiaries and holdings are presented in local currencies:

- US dollars for Soitec Microelectronics Singapore Pte Ltd. and Soitec Asia Holding Pte Ltd.;
- Japanese yen for Soitec Japan Inc.;
- Korean won for Soitec Korea LLC;
- Chinese yuan for Soitec Trading (Shanghai) Co. Ltd. and Shanghai Simgui Technology Co. Ltd.;
- US dollars for Soitec USA Holding Inc. and Soitec USA LLC;
- euros for Frec|n|sys SAS, Soitec Corporate Services SAS, Soitec NewCo 1 SAS, Soitec NewCo 2 SAS, Soitec NewCo 3 SAS, Soitec NewCo 4 SAS, Concentrix Holding SAS, Dolphin Design SAS, Exagan SAS, Technocom 2, Greenwaves Technologies SAS and Cissoid.

Technocom 2, in which our Company holds an equity interest, distributed €202,775 during the year.

For investments below 10%, no loan, advance or deposit was granted during the fiscal year.

6.3.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 March 2019

To the annual general meeting of Soitec S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Soitec S.A. for the year ended 31 March 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st of April 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Capitalization and valuation of development expenses in the balance sheet

RISK IDENTIFIED	OUR RESPONSE
At 31 March 2019, capitalized development expenses represented a net amount of € 16.7m in the company's balance sheet. As described in note "Intangible and Tangible assets" of financial statements, the development expenses incurred by the Company in the context of its new projects are capitalized when the capitalization criteria are complied with, notably whether it is probable that the project developed will generate future economic advantages that will benefit the Company. The capitalized development expenses are tested annually for impairment. We have identified the capitalization and valuation of development expenses as a key audit matter due to the materiality of these intangible assets in the balance sheet and the judgment exercised by the management during their initial capitalization and the performance of impairment testing.	We evaluated the procedures relating to the initial capitalization of development expenses, the identification of projects presenting a value loss indicator, and the establishment of the estimates used to perform the impairment testing on these assets. For the projects we selected, our work notably consisted in: • evaluating compliance with the capitalization criteria as defined in the notes to the financial statements, and the correct application thereof; • using sampling to test the consistency of the amounts recorded in assets at 31 March 2019 with the underlying supporting documentation; • evaluating the data and assumptions used by the Company in the context of impairment testing on capitalized development expenses via interviews with the management; • verifying the arithmetic accuracy of these tests.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

We attest that the non-financial statement required by Article L. 225-102-1 of the French Commercial Code (C*ode de commerce*) is included in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Soitec S.A. by the annual general meeting held on 25 July 2016.

As at 31 March 2019, we were both in the 3rd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by your Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors
(*French original signed by*)

Paris-La Défense and Lyon, July 4, 2019

KPMG Audit		Ernst & Young Audit
Jacques Pierre	Stéphane Devin	Nicolas Sabran
Partner	*Partner*	*Partner*

6.4 AUDITING OF ANNUAL FINANCIAL INFORMATION

DECLARATION BY THE STATUTORY AUDITORS

Reference should be made to the statutory auditors' report on the consolidated financial statements for the year ending March 31, 2019 and to the report on the statutory financial statements for the year ending March 31, 2019, which appear respectively in sections 6.2.2 and 6.3.2 of this Registration Document.

Furthermore, the consolidated financial statements for the period ending March 31, 2018 were certified in a report by the statutory auditors presented on page 177 of the Registration Document, registered under number D.18-0586. The consolidated financial statements for the fiscal year ending March 31, 2017 were certified in a report by the statutory auditors presented on page 152 of the Registration Document, filed under number D.17-0720.

OTHER INFORMATION AUDITED BY THE STATUTORY AUDITORS

Not applicable.

FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

Not applicable.

6.5 OTHER FINANCIAL AND ACCOUNTING INFORMATION

6.5.1 TABLE OF FINANCIAL RESULTS FOR THE LAST FIVE FISCAL YEARS

Type of indications *(in € thousand)*	**Fiscal year 31/03/2015**	**Fiscal year 31/03/2016**	**Fiscal year 03/31/2017**	**Fiscal year 03/31/2018**	**Fiscal year 03/31/2019**
I. Capital at the end of the fiscal year					
Share capital	23,119	23,132	60,623	62,762	62,762
Number of existing ordinary shares	11,559,421	11,566,209	30,311,510	31,367,567	31,367,567
Number of preferred shares	-	-	-	269,365	269,365
II. Transactions and earnings for the fiscal year					
Revenue before tax	161,132	220,310	238,223	296,034	448,694
Earnings before tax, employee profit-sharing and allowances for amortization and provisions	(26,299)	(32,497)	24,346	(477,674)	103,216
Income tax	(7,850)	(11,126)	(13,883)	(7,458)	3,421
Employee profit-sharing	-	-	-	-	2,522
Allowances for amortisation and provisions	368,617	42,926	17,881	(517,764)	(11,186)
Earnings after tax, employee profit-sharing and allowances for amortization and provisions	(387,067)	(64,296)	20,348	47,548	108,460
III. Earnings per share					
Earnings after tax, employee profit-sharing and before allowances for amortization and provisions	(1.60)	(1.85)	1.26	(14.99)	3.10
Earnings after tax, employee profit-sharing and allowances for amortization and provisions	(33.48)	(5.56)	0.67	1.52	3.46
IV. Personnel					
Average workforce during the fiscal year	814	850	859	931	1,053
Payroll for the fiscal year	44,337	47,485	47,573	51,804	55,896
Amount paid as social benefits during the fiscal year (social security, social welfare work, etc.)	18,500	21,073	27,099	23,511	25,717

6.5.2 INVENTORY OF MARKETABLE PORTFOLIO SECURITIES

› *Inventory of marketable portfolio securities*

(in € thousand)	**Inventory value**
A. Shares in consolidated and non-consolidated companies	
Soitec USA Holding Inc.	17
Soitec Microelectronics Singapore Pte Ltd.	67,197
Soitec Japan Inc.	2,637
Soitec Korea LLC	328
Soitec Corporate Services SAS	1
Soitec Trading (Shanghai) Co. Ltd.	102
Frec|n|sys SAS	1,825
Concentrix Holding SAS	100
Dolphin Design SAS	3,000
Cissoïd	340
Technocom 2	2,175
Exagan SAS	1,438
Shanghai Simgui Technology Co. Ltd.	4,441
Greenwaves Technologies SAS	3,299
Soitec Asia Holding Pte Ltd.	-
Soitec NewCo 1 SAS	1
Soitec NewCo 2 SAS	1
Soitec NewCo 3 SAS	1
Soitec NewCo 4 SAS	1
B. Receivables linked to holdings	
Soitec Microelectronics Singapore Pte Ltd.	2,208
Soitec Asia Holding Pte Ltd.	127,205
Concentrix Holding SASU	750
Dolphin Design SAS	600
Ceotis Éclairage SAS	214
Frec|n|sys SAS	620
C. Marketable investment securities	
Marketable investment securities	45,004
D. Treasury shares	
5,077 treasury shares	432
TOTAL	**263,937**

€3 billion
Stock market capitalization at end-June 2019

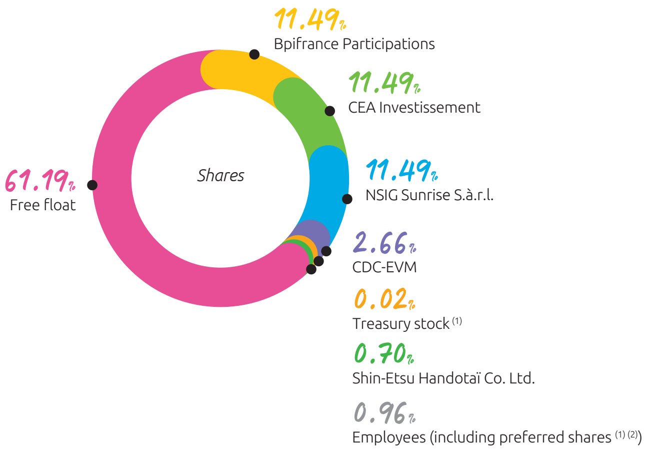
+ 700 %
Share price over 3 years

3
Strategic investors Bpifrance, CEA and NSIG

7. Share capital and shareholding structure

7.1 OUR SHAREHOLDING STRUCTURE

7.1.1 OUR SHAREHOLDERS AS OF MARCH 31, 2019



(1) Shares without voting rights.
(2) Preferred shares with a par value of €0.10 each, not admitted to listing.

Our Company conducts a number of shareholder identification studies per year. The most recent was completed in March 2019.

Around 18% of the stock is held by the general public and institutional investors

18% Around 18% of shares in our Company are widely distributed among the public or held by institutional investors other than our 50 leading investors.

Stable employee shareholding, with potential to increase

1% The number of employee shareholders is stable and still has limited impact as of March 31, 2019, standing at 0.96%. It mainly comprises preferred shares which are not admitted to trading on a regulated market.

Employee share ownership may increase significantly over the coming months and years, due to the future unwinding of the free share allocation plans set up for our employees over the past three fiscal years.

Small portion of treasury shares

Our 5,077 treasury shares represent around 0.02% of the total number of shares.

Our three strategic investors

In May and June 2016, we completed two major capital increases, one of which was reserved for our three strategic investors.

Following these operations, these three companies each held 14.5% of our share capital, totaling 43.50%.

On June 28, 2017, they each sold an identical number of our shares to institutional investors. Following this private placement, their respective position was around 12%.

35% To date, our three strategic investors continue to represent a significant portion of our shareholding: each one holds 11.49% of our shares, bringing their total holding to 34.47%. Furthermore, they are each represented on our Board of Directors by two members:

Given that our three reference shareholders are not acting in concert, as stated at the date of their shareholders' agreement on March 7, 2016, our Company is not controlled.

Our long-standing shareholder

Shin-Etsu Handotaï, our long-standing Japanese partner and silicon supplier, is still one of our shareholders.

1% One of our first shareholders, twenty years after our initial public offering, it holds a little under 1% of our share capital.

Shin-Etsu Handotaï is therefore our no. 4 registered shareholder.

Our Japanese partner is represented by one Director on our Board of Directorsi.

Very strong growth of our top 50 institutional investors

Our top 50 institutional investors represented 15% of our shareholders at the beginning of calendar year 2017.

45% The latest analysis, completed in March 2019, revealed that our top 50 institutional investors now collectively hold 45% of our shares. Over the last two years, their representation has tripled.

Primarily located in Europe, the United States and Asia, they overwhelmingly have a long-only strategy.

7.1.2 CHANGE IN OUR MAIN SHAREHOLDERS OVER THE PAST THREE FISCAL YEARS

The table below shows the number of shares and voting rights and corresponding percentages held by our main shareholders, long-standing shareholders and employee shareholders as of March 31, 2019.

The development over the past three years of their respective positions in terms of percentages of shares and exercisable voting rights is also included.

Our main shareholders are those who directly or indirectly hold more than 5% of our share capital.

Employee shareholding has been calculated in accordance with Article L. 225-102 of the French Commercial Code.

Shareholders	Situation as of March 31, 2019						Situation as of March 31, 2018		Situation as of March 31, 2017	
	Number of shares	Percentage of shares	Number of theoretical voting rights (1)	Percentage of theoretical voting rights (1)	Number of exercisable voting rights (2)	Percentage of exercisable voting rights (2)	Percentage of shares	Percentage of exercisable voting rights (2)	Percentage of shares	Percentage of exercisable voting rights (2)
Free float	19,355,174	61.19	19,760,248	60.90	19,760,248	61.43	61.11	61.28	54.04	54.73
NSIG Sunrise S.à.r.l.	3,636,008	11.49	3,708,768	11.43	3,708,768	11.53	11.49	11.39	14.50	14.21
CEA Investissement	3,636,007	11.49	3,636,007	11.21	3,636,007	11.30	11.49	11.39	14.50	14.21
Bpifrance Participations	3,636,007	11.49	3,708,767	11.43	3,708,767	11.53	11.49	11.39	14.50	14.21
CDC-EVM (3)	843,100	2.66	843,100	2.60	843,100	2.62	2.66	2.64	1.42	1.40
Shin-Etsu Handotaï	222,629	0.70	445,258	1.37	445,258	1.38	0.70	0.70	0.73	0.73
Employees:	302,930	0.96	336,495	1.04	67,130	0.21	1.04	1.21	0.29	0.51
• inc. PS (4) (5)	269,365	0.85	269,365	0.84	0.00	0.00	0.85	0.00	0.00	0.00
Treasury shares (4)	5,077	0.02	5,077	0.02	0.00	0.00	0.02	0.00	0.02	0.00
TOTAL	**31,636,932**	**100.00**	**32,443,720**	**100.00**	**32,169,278**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

(1) *The total number of theoretical voting rights (or "gross" voting rights) is used as the basis for calculating the crossing of thresholds. In accordance with Article 223-11 of the AMF General Regulation, this number is calculated on the basis of all shares to which voting rights are attached as of the information cu(-off date, including shares without voting rights and shares entitled to double voting rights.*
(2) *The total number of exercisable voting rights (or "net" voting rights) is calculated after taking into account, as of the information cut-off date, the number of shares entitled to double voting rights, and after the deduction of shares without voting rights.*
(3) *Caisse des Dépôts et Consignations Entreprises Valeurs Moyennes (CDC-EVM).*
(4) *Shares without voting rights.*
(5) *Preferred shares with a par value of €0.10 each, not admitted to listing.*

7.1.3 OUR PROVISIONAL FINANCIAL REPORTING TIMETABLE

Q1
Sales in Q1 2019-2020
July 17, 19

AGM
Shareholders' Annual General Meeting 2018-2019
July 26, 19

Q2
Sales in Q2 2019-2020
Oct. 15, 19

H1
Half-year 2019-2020 results
Nov. 27, 19

Q3
Sales in Q3 2019-2020
Jan. 15, 20

Q4
Sales in Q4 2019-2020
April 15, 20

FY
Annual results 2019-2020
June 10, 20

7.1.4 OUR STOCK MARKET DATA

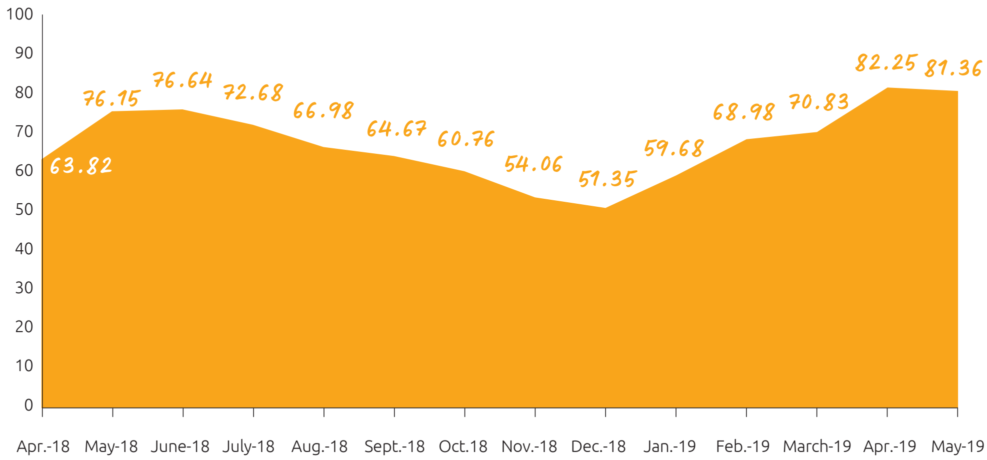
7.1.4.1 Our profile

		Event
Stock market	EURONEXT	The Company has been listed on Euronext Paris since its initial public offering on February 9, 1999. Initially listed in Compartment B, it is now listed in Compartment A.
Indices	CAC Mid60 SBF 120	Following the quarterly review of Euronext Paris indices on March 9, 2017, the Index Committee (Conseil Scientifique des Indices) decided to readmit our Company to the panels comprising the CAC Mid60 and SBF120 indices. This decision took effect on March 17, 2017 after market close.
Ticker symbol	SOI	Since our initial public offering on February 9, 1999
ISIN	FR0013227113	Since our reverse stock split effective February 8, 2017

7.1.4.2 Summary table of our past two fiscal years

	2018-2019	2017-2018
Stock market capitalization at fiscal year end *(in billions of euros)*	*2.29*	*1.85*
Number of listed shares	*31,367,567*	*31,367,567*
Highest price *(in euros)*	*86.150*	*71.490*
Lowest price *(in euros)*	*45.720*	*35.250*
Average closing price *(in euros)*	*65.717*	*55.368*
Price at fiscal year end *(in euros)*	*73.000*	*58.900*

7.1.4.3 Changes in our share price over the past fiscal year *(in euros)*



Year Month	Highest price *(in euros)*	Lowest price *(in euros)*	Average price *(in euros)*	Number of shares traded	Value traded *(in millions of euros)*	Market capitalization on the basis of the average price *(in millions of euros)*
2018						
April	77.200	54.850	63.823	4,287,417	255.36	2,001.95
May	81.700	67.200	76.150	3,066,485	232.58	2,388.64
June	86.150	70.150	76.640	3,413,760	268.45	2,466.75
July	76.250	69.100	72.680	2,625,213	191.27	2,285.44
August	74.350	62.300	66.980	2,099,251	140.61	2,101.00
September	71.700	58.850	64.670	2,166,164	140.09	2,028.54
October	67.200	52.300	60.760	3,965,929	240.98	1,905.89
November	66.950	45.720	54.060	4,206,138	227.37	1,695.73
December	59.150	47.320	51.350	2,976,942	152.87	1,610.72
2019						
January	68.350	48.600	59.680	3,521,396	210.17	1,872.02
February	75.000	63.850	68.980	1,689,586	116.55	2,163.73
March	74.000	66.200	70.830	1,707,758	120.96	2,221.76
April	94.450	73.550	82.250	2,957,282	252.10	2,674.09
May	90.750	75.300	81.360	2,355,690	191.65	2,552.07

7.1.5 DIVIDEND INFORMATION

Our Company has not distributed any dividends in respect of the past three fiscal years.

We intend to reinvest our profits in order to finance our future growth, and we do not plan to pay out any dividends over the next three years.

7.1.6 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO OUR SHARES

7.1.6.1 Two different share classes

Since July 26, 2017, the date on which the first preferred shares were issued from the free allocation plan described in section 7.2.4.1.2, two classes of shares have made up our share capital:

- ordinary shares with a par value of €2.00 each, listed on the Euronext Paris regulated market under ISIN code FR0013227113 and ticker symbol "SOI"; and
- preferred shares with a par value of €0.10 each, not admitted to listing.

The rights and obligations attached to these two categories of shares are described in Article 10 of the by-laws, as reproducted in full in section 9.1.2.

7.1.6.2 Different voting rights

Simple voting rights

Voting rights are proportional to the capital represented by shares.

When Shareholders' General Meetings are held, each share carries one vote.

Double voting rights

Since the resolution adopted by our Combined Shareholders' General Meeting of November 30, 1998, Article 22 of our by-laws states that a double voting right shall be conferred on shares that have been held for at least two years by the same shareholder in the registered form.

In the event of a capital increase by incorporation of reserves, profits, or issue premiums, double voting rights are conferred as from the date of issuance on such registered shares allocated at for free to our shareholders, on the basis of previous shares for which such right was also granted.

This rule has applied since August 31, 2000.

The double voting right ceases for any share converted to bearer or subject to a transfer.

No voting right

Pursuant to Article 10.3 of our by-laws, preferred shares of our Company do not confer any voting right at Shareholders' General Meetings of ordinary shareholders.

However, the holders of our preferred shares are entitled to participate in Shareholders' Special Meetings, under the conditions provided for by law and our by-laws.

Voting rights of our main shareholders

The exact number of voting rights held by our main and long-standing shareholders as of March 31, 2019, as well as their respective proportion of exercisable voting rights, are described in section 7.1.2 above.

7.1.6.3 Amendments to shareholder rights under legal requirements

Decisions amending the by-laws of our Company in general are adopted by the Extraordinary Shareholders' General Meeting under the legal majority conditions required.

7.1.7 OUR CROSSINGS OF THRESHOLDS AND OUR CONTROLLING POSITION

7.1.7.1 Crossing of thresholds over the past three fiscal years

Our crossing of legal thresholds

To our knowledge, no individual or legal entity other than those referred to below, acting alone or in concert, directly or indirectly holds a number of shares in our Company representing more than 5% of our share capital or of our voting rights, and is therefore obliged to inform us in accordance with applicable domestic laws.

EPIC Bpifrance, indirectly *via* Bpifrance Participations

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
4/29/2016	↘	10% of our voting rights	22,071,781*	9.54%	22,071,781*	9.08%
5/2/2016	↗	10% of our capital and voting rights	53,701,944*	14.5%	53,701,944*	14.05%

* *Data provided before our reverse stock split effective on February 8, 2017.*

NSIG Sunrise S.à.r.l.

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
5/2/2016	↗	10% of our capital and voting rights	53,701,944*	14.5%	53,701,944*	14.05%
5/2/2018	↗	15% of our voting rights	3,636,008	11.49%	6,321,106	19.66%
6/8/2018	↗	20% of our voting rights	3,636,008	11.49%	7,272,015	20.84%
6/25/2018	↘	20% and 15% of our voting rights	3,636,008	11.49%	3,708,767	10.63%

* *Data provided before our reverse stock split effective on February 8, 2017.*

CEA Investissement

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held crossing of threshold	Percentage of voting rights declared
5/2/2016	↗	10% of our capital and voting rights	53,701,944*	14.5%	53,701,944*	14.05%
5/2/2018	↗	15% of our voting rights	3,636,007	11.49%	6,321,104	19.66%
5/28/2018	↘	15% of our voting rights	3,636,007	11.49%	3,636,007	11.31%

* *Data provided before our reverse stock split effective on February 8, 2017.*

Caisse des Dépôts et Consignations, directly and indirectly *via* Bpifrance Participations

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
4/29/2016	↘	15% of our voting rights	30,713,405*	13.27%	30,713,405*	12.63%
5/02/2016	↗	15% of our capital and voting rights	62,343,568*	16.83%	62,343,568*	16.31%
6/28/2017	↘	15% of our capital and voting rights	4,343,048	14.33%**	4,343,048	14.05%**

* *Data provided before our reverse stock split effective on February 8, 2017.*
** *As of May 31, 2017.*

Our crossing of thresholds set out in our by-laws

Article 11 of our by-laws provides for a threshold of 3% of the capital and voting rights above which any holding must be disclosed to us.

GIC Private Limited

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
5/11/2018	↗	3% of our capital	1,057,347	3.34%**	1,057,347	3.28%**

** *As of March 31, 2018.*

Amundi

Declaration date	Crossing direction	Threshold(s) crossed	Number of shares held after crossing of threshold	Percentage of capital declared	Number of voting rights held after crossing of threshold	Percentage of voting rights declared
9/7/2018	↗	3% of our capital	968,113	3.06%	968,113	2.98%
9/14/2018	↘	3% of our capital	947,303	2.99%	947,303	2.91%

7.1.7.2 Absence of control over the Company

Given that our three main shareholders are not acting in concert, as stated at the date of their shareholders' agreement on March 7, 2016, our Company is not in a controlling position.

To our knowledge, no shareholder directly or indirectly holds a portion of our share capital or voting rights granting it control over our Company.

7.1.7.3 Change of control over our Company

To our knowledge, there is no agreement in place that could give rise to a change of control over our Company in the future.

In addition to the double voting rights set out in section 7.1.6.2, there is no provision in our Articles of Association, or any of our charters or regulations that could result in the deferral or prevention of a change of control over our Company.

7.2 OUR SHARE CAPITAL INFORMATION

Please note that unless stated otherwise, the number of shares stated in this section 7.2 is determined after our reverse stock split effective February 8, 2017.

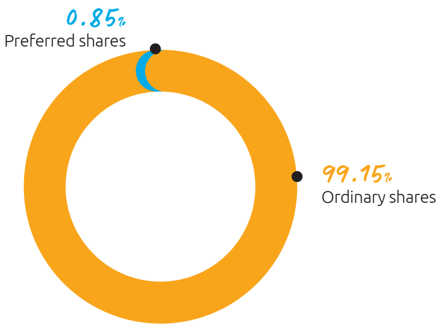
7.2.1 CHANGES IN OUR SHARE CAPITAL SINCE APRIL 1, 2018

7.2.1.1 Our share capital situation on the date this Registration Document was approved

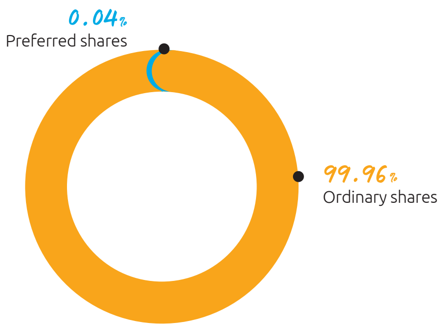
As of June 12, 2019, our share capital, amounting to €62,762,070.50, comprises two categories of shares:

- 31,367,567 ordinary shares with a par value of €2.00 each; and
- 269,365 preferred shares with a par value of €0.10 each.

› *Percentage share capital*



› *Percentage number of shares*



All of our shares are issued and fully paid up.

There are no shares that do not represent the share capital.

The closing price of our ordinary shares on June 12, 2019 was €87.35.

7.2.1.2 No change since our past fiscal year ended

Our share capital position as of June 12, 2019 set out above has not changed since April 1, 2018.

7.2.2 TREASURY SHARES

7.2.2.1 Number of treasury shares

As of June 12, 2019, the Company held 5,077 ordinary treasury shares, representing 0.016% of the share capital.

Their par value is €2.00 each.

Please refer to note 3.13 to the consolidated financial statements in section 6.2.1.2 of this Registration Document for an analysis of the accounting treatment and value of our treasury shares as of March 31, 2019.

7.2.2.2 Number of share held by our indirect subsidiaries

As of June 13, 2019, none of our indirect subsidiaries held shares in our Company.

7.2.2.3 Share buyback program in force, adopted by the Combined Ordinary and Extraordinary General Shareholders' Meeting of July 26, 2018

The Ordinary and Extraordinary General Meeting (OEGM) of July 26, 2018, in its 9th resolution, authorized our Board of Directors, with the option to further delegate, to acquire or procure the acquisition of shares in our Company, in one or more installments, at the dates determined by it, up to 2% of our share capital, at any time whatsoever.

This authorization terminated and superseded the authorization granted to our Board of Directors by the OEGM of July 26, 2017.

It is hereby specified that this 2% limit applies to the adjusted share capital based on transactions affecting it after the OEGM of July 26, 2018.

As regards the particular case of shares repurchased under a liquidity contract, the number of shares taken into account for the calculation of the 2% limit corresponds to the number of shares purchased, less the shares resold during the period of the authorization.

Furthermore, the number of shares held by the Company at any time shall not exceed 10% of our share capital, this percentage applying to adjusted capital based on transactions affecting it after the OEGM of July 26, 2018.

Acquisitions may be made with the purpose of:

- ensuring liquidity and making a market on the secondary share market of the Company through an investment service provider acting independently in the framework of a liquidity agreement which complies with the French AMAFI ethical charter acknowledged by the French Financial Markets Authority (AMF); or
- allocating or transferring shares to our employees or former employees and/or corporate officers or former corporate officers, in particular under share purchase option plans, existing free share operations, or employee savings plans; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution operations may not exceed 2% of the capital; or
- hedging securities giving rights to shares of the Company upon exercise of rights attached to securities, giving rights to the allocation of Company shares through redemption, conversion, exchange, presentation of bonds, or any other means; or
- subsequently canceling, in whole or in part, the shares thus repurchased under the conditions provided in Article L. 225-209 of the French Commercial Code and in accordance with the terms of the twentieth resolution adopted by the OEGM held on July 26, 2018; or
- to implement any other permitted market practice or which is allowed by the market authorities; or
- operating for any other authorized purpose or which may afterwards be authorized by law or applicable regulations, subject to the shareholders of the Company being informed through a press release.

The purchase of shares may be made by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program). However, the Company does not intend to use derivatives.

These transactions may be performed at any time, pursuant to the legal provisions in force, excluding during public offerings of Company securities.

The maximum share price is set at €100 per share.

In the event of a transaction affecting the share capital, in particular a share split or division or a free allocation of shares, the aforementioned amount shall be adjusted in the same proportions.

The maximum overall amount allocated to our share buyback program was set at €62,762,000 at the OEGM held on July 26, 2018. It was calculated on the basis of the share capital at this date, amounting to €62,762,070.50 and comprising 31,636,932 shares.

As of June 12, 2019, the date this Registration Document was approved, this situation was unchanged.

It is hereby reminded that, pursuant to Article 241-2 of the AMF General Regulation, the description of the share buyback program approved by the OEGM on July 26, 2018 was described in our previous 2017-2018 Registration Document filed on June 18, 2018 with the AMF under number D.18-0586.

7.2.2.4 Use made up to June 12, 2019

Between April 1, 2018 and June 12, 2019, our Company did not carry out any treasury share transactions:

As a result, our current share buyback program has not been used.

7.2.2.5 Description of the share buyback program that will be submitted for the approval of the Shareholders' General Meeting convened on July 26, 2019 under the 21st resolution

7.2.2.5.1 Legal framework

The purpose of this description of the Company's share buyback program is, pursuant to Article 241-2 of the AMF General Regulation, to describe the objectives and terms of the share buyback program that will be submitted to the vote of our shareholders at the Ordinary and Extraordinary General Meeting (OEGM) to be held on July 26, 2019, under the 21st resolution.

7.2.2.5.2 Number of shares and share capital held directly or indirectly by our Company and breakdown by objective

As of June 12, 2019, the Company held 5,077 treasury shares with a par value of €2.00 each or 0.016% of the Company's share capital.

All 5,077 treasury shares will be allocated to objectives set out in the 21st resolution submitted for the approval of our shareholders at the OEGM held on July 26, 2019.

7.2.2.5.3 Objectives of the share buyback program

Acquisitions may be made for the purpose of:

- ensuring liquidity and making a market on the secondary share market of the Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the AMF (as amended where appropriate); or
- the allocation or sale of shares to employees to allow them to participate in the benefits of Company's expansion or for the implementation of Company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- the allocation of free shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- in general, meeting obligations related to share option programs or other share allocations to employees or corporate officers of the issuer or of a related company; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution operations may not exceed 5% of the capital; or
- hedging securities giving rights to shares of the Company upon exercise of rights attached to securities, giving rights to the attribution of Company shares through redemption, conversion, exchange, presentation of bonds, or any other means; or
- subject to adoption of the 36th resolution, subsequently canceling, in whole or in part, the shares thus bought in under the conditions provided in Article L. 225-209 of the French Commercial Code; or

This program is also designed to allow the implementation of all market practices accepted or that may be accepted by the market authorities, and more generally, the completion of operations for other purpose that are permitted or may subsequently be permitted by applicable laws and regulations, subject to the Company's shareholders being sent notification.

7.2.2.5.4 Maximum percentage of capital, maximum amount allocated to the program and maximum number and characteristics of equity securities the Company plans to acquire and the maximum purchase price

The number of shares that may be acquired during the share buyback program shall not exceed 5% of the Company's share capital at each buyback date. This limit applies to capital adjusted for transactions that may occur after the OEGM convened on July 26, 2019.

This maximum number of shares would amount to 1,569,051 shares, calculated on the basis of the share capital as of June 12, 2019, with a total value of €62,762,070.50.

As regards the particular case of shares repurchased under a liquidity contract, the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the period of the authorization.

The number of shares acquired for the purpose of conserving and subsequently delivering them as part of a merger, demerger or contribution operation may not exceed 5% of its share capital.

The number of shares held by the Company at any time should not exceed 10% of the share capital. This limit shall apply to capital adjusted for transactions that may occur after the OEGM convened on July 26, 2019.

The maximum purchase price would be set at €150 per share. In the event of a capital transaction, this amount would be adjusted in the same proportions.

The General Shareholders' Meeting convened for July 26, 2019 will be asked to set the maximum number of shares that may be acquired under this share buyback program at 1,569,051 and the overall maximum amount that would be allocated to this program at €235,357,650. These limits were determined based on our share capital as of June 12, 2019, amounting to €62,762,070.50.

The securities to which this program relates would be ordinary shares with a par value of €2.00 each, issued by the Company and listed on the Euronext Paris regulated market under ISIN code FR0013227113 and ticker symbol "SOI".

7.2.2.5.5 Duration of the buyback program

The buyback program would be carried out over a period of twelve months beginning at the end of the OEGM held on July 26, 2019, and expiring on the date of the Shareholders' General Meeting to be held in 2020 to approve the financial statements for the current financial year ending March 31, 2020.

It is specified that this repurchase program would cancel and replace that approved by the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018 in its 9th resolution.

7.2.2.5.6 Other terms of the buyback program

Under the Company's share repurchase program, shares may be purchased on one or more occasions, by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program).

The Company does not intend to use derivatives.

These transactions may be performed at any time, pursuant to the statutory provisions in force, excluding during public offerings of Company securities.

7.2.2.5.7 Report on previous program

The OEGM of July 26, 2018, in its 9th resolution, authorized our Board of Directors, with the option to further delegate, to acquire or procure the acquisition of shares in our Company, in one or more installments, at the dates determined by it, up to 2% of our share capital, at any time whatsoever.

In accordance with Article 241-2 of the AMF General Regulation, the description of this share buyback program approved by the General Meeting of July 26, 2018 was set out in our previous 2017-2018 Registration Document filed on June 18, 2018 with the AMF under number D.18-0586. It also appears in paragraph 7.2.2.3 of this Registration Document.

› Declaration by the issuer of the transactions performed on own shares from July 26, 2018 to June 12, 2019

Percentage of directly or indirectly owned share capital (1)	0.016%
Number of shares purchased	0
Number of shares sold	0
Number of shares transferred	0
Number of shares canceled	0
NUMBER OF SHARES HELD IN THE PORTFOLIO	**5,077**
Gross book value of portfolio (2)	€432,242.72
Net book value of portfolio (2)	€359,146.98
Market value of portfolio (2)	€370,621.00

(1) As at June 12, 2019.
(2) As at March 31, 2019.

	Cumulative gross flows (1)		Positions open on the date of publication of the program description (2)			
	Purchases	Sales/transfers	Open buy positions		Open sell positions	
From July 26, 2018 to June 12, 2019			Call options purchased	Forward purchases	Call options sold	Forward sales
Number of shares	-	-	-	-	-	-
Average maximum maturity	-	-	-	-	-	-
Average price of transaction	-	-	-	-	-	-
Average exercise price	-	-	-	-	-	-
Amounts	-	-	-	-	-	-

(1) Cumulative gross flows include cash buy or sell transactions and futures exercised or matured.
(2) The open positions include call or put options not matured, as well as call options not exercised.

7.2.3 SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

7.2.3.1 Type and characteristics of financial instruments issued

7.2.3.1.1 Free preferred shares allocation plan ("MIP")

Legal framework

In accordance with the statutory and regulatory provisions governing the allocation of free shares (in particular Articles L. 225-197-1 *et seq.* of the French Commercial Code), the Combined General Meeting held on April 11, 2016 on first notice and on April 29, 2016 on second notice, authorized our Board of Directors, pursuant to its 15th and 16th resolutions, to allocate free preferred shares with a par value of €0.10 each, on one or several occasions, to employees of our Group and corporate officers of our Company.

A clerical error in the 15th resolution was subsequently corrected by the Combined General Meeting held on July 26, 2017.

In the frame of the 15th resolution, the delegation of authority granted by the aforementioned 16th resolution, and pursuant to the powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, our Board of Directors, at its meeting held on July 26, 2016, approved the terms of the rules governing this plan for the free allocation of preferred shares.

This plan is also known as the Long-Term Management Incentive Plan, or under the acronym "**MIP**".

In addition, our Board of Directors set the maximum number of preferred shares in our Company that may be allocated under the MIP at 295,703.

Purpose

The purpose of the MIP is to collectively encourage the beneficiaries to persevere in their efforts and to allow them share in the fruits of the Group's growth by aligning their interests with those of the Company's shareholders. The allocation of preferred shares is a tool for motivation and talent retention.

Allocation of conditional rights during 2016-2017 fiscal year

During the fiscal year ended on March 31, 2017, conditional rights to vest all 295,703 preferred shares were granted by our Board of Directors to 34 beneficiaries, on the dates and in the proportions set out in the table below.

Vesting of preferred shares during 2017-2018 and corresponding issues

During the fiscal year ended on March 31, 2018, the aforementioned conditional rights gave rise, subject to a condition of presence, to the final vesting of preferred shares in favor of the 29 MIP beneficiaries, French tax residents, on the dates and in the proportions set out in the table below.

Three minor increases in the Company's share capital then took place:

1. On July 26, 2017, our Chief Executive Officer, under a delegation granted by the Board of Directors on the same date:
   - noted the issue of 236,157 new preferred shares with a par value of €0.10 each,
   - the corresponding creation of a new class of shares comprising a portion of the Company's share capital: preferred shares with a par value of €0.10 each, non-transferable until the end of a two-year period (subject to exceptions as provided by law and in the plan regulations), without voting rights and not admitted to listing.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
7/26/2017	€60,623,020	€60,646,635.70	30,547,667 shares divided into: • 30,311,510 ordinary shares of €2.00; • 236,157 preferred shares of €0.10.

2. On December 6, 2017, the Chief Executive Officer, under the authorization granted by the Board of Directors on November 29, 2017, acknowledged the issue of 3,798 new preferred shares with a par value of €0.10 each.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
12/6/2017	€62,758,749.70*	€62,759,129.50	31,607,522 shares divided into: • 31,367,567* ordinary shares of €2.00; • 239,955 preferred shares of €0.10.

* *The share capital and number of shares result from an interim capital increase carried out on August 8, 2017 (see section 7.2.6 of this Registration Document for more information).*

3. On March 30, 2018, the Chief Executive Officer, under the authorization granted by the Board of Directors on March 28, 2018, acknowledged the issue of 29,410 new preferred shares with a par value of €0.10 each.

Date	Share capital before issue	Share capital after issue	New share capital breakdown
3/30/2018	€62,759,129.50	€62,762,070.50	31,636,932 shares divided into: • 31,367,567 ordinary shares of €2.00; • 269,365 preferred shares of €0.10.

Since this last issue of preferred shares on March 30, 2018, our share capital has not changed.

It is therefore identical as of June 12, 2019, the date of this Registration Document's approval.

Vesting of preferred shares planned for 2019-2020

During the fiscal year ending March 31, 2020, the balance of the conditional rights to preferred shares existing to date (i.e. 26,338) will give rise, subject to a condition of continued employment, to the definitive vesting of preferred shares to the 5 MIP beneficiaries, non-tax residents in France, on the dates and in the proportions stated in the table above.

Summary table of allocations under the MIP

Date of Shareholders' General Meeting			04/11 and 04/29/2016			
Date of Board of Directors' meeting	7/26/2016	12/6/2016	3/30/2017	7/26/2016	12/6/2016	3/30/2017
NUMBER OF PREFERRED SHARES (PS) ALLOCATED	**236,157** (1)	**3,798** (1)	**29,410** (1)	**20,639** (2)	**2,832** (2)	**2,867** (2)
of which number of preferred shares for corporate officers	*44,947*	*0*	*0*	*0*	*0*	*0*
including the number of preferred shares for the ten employees of the Company, non corporate officers, to whom the number of allocated free shares is the highest	*169,229*	*0*	*16,500*	*0*	*0*	*0*
Beneficiaries number	18	2	9	3	1	1
Date of contingent allocation of PS	7/26/2016	12/6/2016	3/30/2017	7/26/2016	12/6/2016	3/30/2017
Date of definitive allocation of PS	7/26/2017	12/6/2017	3/30/2018	7/26/2019	12/6/2019	3/30/2020
Date of conversion into ordinary shares (OS)	7/26/2019	12/6/2019	3/30/2020	7/26/2019	12/6/2019	3/30/2020
Maximum OS conversion ratio						5 OS for 1 PS (3)

(1) PS definitively allocated during fiscal year ended March 31, 2018.
(2) Conditional rights for PS.
(3) Refer to the tables below for the conversion ratios of the PS into OS.

Future conversion into ordinary shares during 2019-2020

Under certain conditions of presence and performance, all 295,703 preferred shares will be converted into ordinary shares, on a date depending on the vesting date applicable to each beneficiary.

The conversion ratio will be set by our Board of Directors based on the following factors:

(i) 50% based on the achievement of objectives on the basis of the average of the Group's consolidated EBITDA levels (as derived from the consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019; and

(ii) 50% based on the achievement of the objectives on the basis of the weighted average of the volumes of the stock market prices of the Company's ordinary shares during the 30 trading days following the date of publication of the Group's consolidated financial statements for the fiscal year ending on March 31, 2019.

These objectives were determined by the Combined Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016.

Pursuant to the terms of the authorization granted by the Shareholders' Combined Ordinary and Extraordinary General Meeting, the Board of Directors of July 26, 2016 set the conversion ratios of the preferred shares into ordinary shares as follows:

Average of the Group's consolidated EBITDA levels (as derived from the Group's consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019	Applicable conversion ratios (multiplication factors for preferred shares becoming ordinary shares)
Average EBITDA ≤ 52,000,000	0
Average EBITDA ≥ 104,000,000	2.05
Additional tranche to be added if: Average EBITDA ≥ 125,000,000	0.45
Maximum conversion ratio resulting from average EBITDA criteria	**2.50**

Target stock market prices* (weighted average of the 30 days following the date of publication of the Group's annual consolidated financial statements for fiscal year 2018-2019)	Applicable conversion ratios (multiplication factors for preferred shares becoming ordinary shares)
Average market price ≤ €15.40	0
Average market price ≥ €30.00	2.05
Additional tranche to be added if: average market price ≥ €35.80	0.45
Maximum conversion ratio resulting from target stock market price	**2.50**

* *The purpose of the reverse stock split of our Company shares effective February 8, 2017 was to exchange 20 existing ordinary shares with a par value of €0.10 each for 1 new ordinary share with a par value of €2.00 each (i.e. a ratio of 20 to 1). In this respect, the regulation of the free preferred share allocation plan was amended by the Board of Directors in order to take into account (i) the decrease in the number of outstanding ordinary shares (divided by 20) and (ii) the resulting increase in the share price of new ordinary shares (the par value of which was multiplied by 20). Accordingly, pursuant to the powers granted to it by the Combined Ordinary and Extraordinary Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016, the Board of Directors (i) divided by 20 the conversion ratios it had originally set out in the plan's rules adopted at its meeting of July 26, 2016 and (ii) multiplied by 20 each of the target stock market prices as originally set out by the aforementioned Combined Ordinary and Extraordinary Shareholders' General Meeting. For all intents and purposes, it is hereby specified that the par value of the preferred shares remains set at €0.10 despite the reverse split of the Company's ordinary shares.*

7.2.3.1.2 Free ordinary share allocation plans no. 1 and no. 2 ("PAT no. 1" and "PAT no. 2")

Legal framework

In accordance with the legal and regulatory provisions governing free allocations of shares (in particular Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code), the Combined Ordinary and Extraordinary Shareholders' General Meeting of the Company, held on March 23, 2018, under the terms of its resolution 5, authorized the Board of Directors to carry out, in one or more increments, free allocations of existing or future Company shares to beneficiaries or categories of beneficiaries that it shall determine from among the Group's employees and the Company's corporate directors and officers, up to a limit of 5% of the share capital, as acknowledged on the date of its allocation decision.

Pursuant to the 5th resolution, and in accordance with the powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, on March 28, 2018, our Board of Directors resolved to implement two free allocation plans of ordinary shares, to be issued at the end of the applicable vesting period, in favor of the Company's employees, in order to recognize their contribution to creating value.

These plans are also referred to as the Share Plans for All (*Plans d'Actions pour Tous*) or under the French acronym "**PAT**".

Purpose

Subject to conditions of presence and seniority, these two plans effective March 28, 2018 aim to recognize both the passed efforts having contributed to the Company's turnaround ("**PAT no. 1**", referred to as the "Reward the past") plan, as well as employee loyalty in light of their seniority ("**PAT no. 2**", known as the "Reward seniority") plan.

Conditional free allocation of ordinary shares during 2017-2018

Subject to the beneficiaries' presence with the firm between March 29, 2017, and March 28, 2018, employees received a certain number of ordinary shares, as follows:

- under PAT no. 1, in favor of all Company employees, the number of free ordinary shares allocated was 125,188, representing around 0.4% of our share capital as of March 28, 2018, i.e. a maximum of 138 shares per employee; and
- with regard to PAT no. 2, in favor of the Company's employees having accumulated three years of seniority, the eligible employees were allocated a maximum of 91 ordinary shares, i.e. a total of 62,561 ordinary shares, representing around 0.2% of our share capital as of March 28, 2018.

Summary table of allocations under PAT no. 1 and PAT no. 2

Date of Shareholders' General Meeting	**3/23/2018**	**3/23/2018**
Name of plan	PAT no. 1 ("Reward the past")	PAT no. 2 ("Reward seniority")
Date of Board of Directors' meeting	3/28/2018	3/28/2018
NUMBER OF SHARES ALLOCATED*	**125,188**	**62,561**
Of which number of shares for corporate officers	-	-
Of which number of shares for the top ten employee recipients	*1,380*	*910*
Beneficiaries number	970	704
Vesting period	from 3/28/2018 to 3/28/2020	from 3/28/2018 to 3/28/2020
Holding period	N/A	N/A
Number of shares vested*	**-**	**-**
Number of shares remaining*	**113,868**	**60,519**

* *As of March 31, 2019.*

Vesting of ordinary shares planned for 2019-2020

Ordinary shares allocated under PAT no. 1 and PAT no. 2 shall definitively vest to their beneficiaries subject to a condition of continued employment at the Company at the end of a two-year vesting period set to expire one business day following March 28, 2020.

For all intents and purposes, it is hereby stated that PAT no. 1 and PAT no. 2 are not subject to any performance condition.

7.2.3.1.3 Issuance of OCEANE 2023 convertible bonds for around €150 million

PAUL BOUDRE
Chief Executive Officer

"We are delighted to have been able to take this opportunity to raise €150 million under favorable conditions, in preparation for the future."

The success of this convertible bond issue reflects the trust placed in us by our investors, and helps strengthen our ability to finance necessary investments for the ramp-up of orders of our new products."

Legal framework of the bond issue

The 2023 OCEANE placement was carried out, pursuant to Article L. 411-2 II of the French Monetary and Financial Code, on the basis of the 14th resolution approved by the Extraordinary Shareholders' General Meeting held on July 26, 2017. A private placement was carried out with institutional investors in France and abroad, with the exception of the United States, Canada, Australia and Japan.

Amount and maturity of 2023 OCEANEs

On June 21, 2018, the Company carried out a successful bond issue with the option to convert and/or exchange them for new and/or existing ordinary shares (OCEANEs) expiring on June 28, 2023 (the "**2023 OCEANEs**"), by way of a private placement with institutional investors, of a nominal amount of €149,999,906.46.

The par value per 2023 OCEANE was set at €104.47.

It gave rise to a premium of 37.5% on the reference share price, equal to the volume-weighted average share price recorded on the Euronext Paris regulated market from the start of trading on June 21, 2018 until the setting of definitive terms and conditions for 2023 OCEANEs on the same day.

The 2023 OCEANEs 2023 were issued at par on June 28, 2019, the settlement-delivery date, and will be repaid at par 5 years later, *i.e.* on June 28, 2023.

They shall not bear interest during this period (zero coupon).

2023 OCEANEs may be repaid early at the Company's discretion, under certain conditions. In particular, they may be repaid on June 28, 2021 if the average of the daily product of the volume-weight average share price on the Euronext Paris regulated market and the share conversion/exchange ratio in force, over a period of 20 consecutive trading days 40, exceeds 130% of the par value of the 2023 OCEANEs.

Right to allocation of ordinary shares

Holders of 2023 OCEANEs are entitled to the allocation of new and/or existing ordinary shares, which they may exercise at any time as of the issue date (i.e. June 28, 2018) until the seventh business day (inclusive) prior to the planned or early repayment date.

The 2023 OCEANE conversion or exchange ratio is one ordinary share per 2023 OCEANE, subject to subsequent changes.

In the event that they exercise their right to the allocation of shares, holders of 2023 OCEANEs shall receive, at the Company's discretion, new and/or existing ordinary shares which, in any event, may be used and enjoyed as of the delivery date.

7.2.3.1.4 Free ordinary share allocation plans ("PAT no. 3.1" and "PAT no. 3.2")

Legal framework

In accordance with the legal and regulatory provisions governing free allocations of shares (in particular Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code), the Combined Ordinary and Extraordinary Shareholders' General Meeting of the Company, held on March 23, 2018, under the terms of its resolution 5, authorized the Board of Directors to carry out, in one or more increments, free allocations of existing or future Company shares to beneficiaries or categories of beneficiaries that it shall determine from among the Group's employees and the Company's corporate directors and officers, up to a limit of 5% of the share capital, as acknowledged on the date of its allocation decision.

In light of the 5th resolution and in accordance with the powers resulting from Articles L. 225-197-1 *et seq.* of the French Commercial Code, the Board of Directors resolved to implement a third free allocation of ordinary shares, to be issued at the end of the applicable vesting period, in favor of all Group employees.

This third plan is also known as the Share Plan for All no. 3, or "PAT no. 3", referred to as the "Sustain growth" plan.

Purpose

PAT no. 3 aims to motivate all Group employees and enable them to share in the fruits of our growth.

It is divided into two sub-plans, in order to take into account the particularities of local regulations, depending on our employees' geographical location:

- the first sub-plan ("**PAT no. 3.1**") is in favor of all of the Group's French employees as of July 26, 2018, i.e. all Company and Frec|n|sys employees;
- the second sub-plan ("**PAT no. 3.2**") concerns all employees at our foreign subsidiaries, based in the United States, Singapore, Japan and South Korea.

Conditional free allocation of ordinary shares during 2018-2019

Subject to three years' employment between July 26, 2018 and July 27, 2021, as well as the achievement of certain performance conditions related to revenue and EBITDA targets during the vesting period, Group employees were allocated a certain number of free ordinary shares, as follows:

- under PAT no. 3.1, the number of free ordinary shares allocated was 307,373 in favor of 991 French employees at July 26, 2018; this represents around 0.98% of our share capital; and
- under PAT no. 3.2, the number of free ordinary shares allocated was 37,608 in favor of 97 foreign employees at July 26, 2018; this represents around 0.12% of our share capital.

Summary table of allocations under PAT no. 3

Date of Shareholders' General Meeting	3/23/2018	3/23/2018
Name of plan	PAT no. 3.1 (France)	PAT no. 3.2 (Rest of the world)
Date of Board of Directors' meeting	7/26/2018	7/26/2018
NUMBER OF SHARES ALLOCATED*	**307,373**	**37,608**
Of which number of shares for corporate officers	-	-
Of which number of shares for the top ten employee recipients	*20,555*	*8,886*
Beneficiaries number	991	97
Vesting period	7/26/2018 to 7/27/2021	7/26/2018 to 7/27/2021
Holding period	N/A	N/A
Number of shares vested*	**-**	**-**
Number of shares remaining*	**266,726**	**34,674**

* *As of March 31, 2019*

Future vesting of ordinary shares in 2021-2022

Ordinary shares allocated under PAT no. 3.1 and PAT no. 3.2 will vest to their beneficiaries subject to:

- their continued employment with the Group at the end of a three-year vesting period set to expire one business day following July 26, 2021; and
- the achievement of performance conditions, as set out precisely in the regulations of PAT no. 3.1 3.2.

7.2.3.2 Information on the potential dilution of the Company's capital

As of June 12, 2019, the Company's share capital comprised a total of 31,636,932 shares, as follows:

- 31,367,567 ordinary shares with a par value of €2.00 each; and
- 269,365 preferred shares with a par value of €0.10 each.

All of the Company's shares are subscribed and fully paid up.

Nature of the potentially dilutive instruments	Maximum number (1)	Exercise price	Conversion ratio into ordinary shares	Number of ordinary shares to which such instruments give right	Maximum potential dilution that may arise from the existence of these instruments (4)
Free preferred shares (MIP of July 26, 2016)	295,703	-	5 (1)	1,478,515	3.82% (5)
Free ordinary shares (PAT no. 1 of March 28, 2018)	125,188	-	-	125,188	0.36%
Free ordinary shares (PAT no. 2 of March 28, 2018)	60,519	-	-	60,519	0.19%
OCEANE 2023	1,435,818	-	1 (2)	1,435,818	4.54%
Free ordinary shares (PAT no. 3.1 of July 26, 2018)	307,373	-	-	307,373	0.84%
Free ordinary shares (PAT no. 3.2 of July 26, 2018)	37,608	-	-	37,608	0.11%
TOTAL MAXIMUM POTENTIAL DILUTION				**3,390,120**	**9,86 % (5)**

(1) As at March 31, 2019.
(2) Refer to tables in section 7.2.3.1.1. above with respect to the conversion ratios of preferred shares to ordinary shares.
(3) Refer to tables in section 7.2.3.1.3 above with respect to the conversion ratios for 2023 OCEANEs to ordinary shares.
(4) Based on the number of shares at June 12, 2019.
(5) Percentage after deduction of the 269,365 preferred shares already issued and included in the total number of shares at March 31, 2019.

7.2.4 RIGHTS TO PURCHASE AND OBLIGATIONS RELATED TO THE CAPITAL SUBSCRIBED BUT NOT PAID-UP

7.2.4.1 Reminder of the existing authorizations and their use

7.2.4.1.1 Summary table of current authorizations

Transactions/Shares concerned (Date of Shareholders' General Meeting)	Maximum amount	Use(s) (date)	Duration of authorization (expiration date)
Free allocation of preferred shares to employees and corporate officers without PSR (Preferential Share Rights) OEGM 4/11/2016 - 16th resolution	0.055% of the share capital for preferred shares and 5.5% of the share capital for ordinary shares in the case of conversion of the preferred shares, within the limit of €130 million	• Three waves of conditional allocations of preferred shares (PS): 1. MIP (Management Incentive Plan) 1st wave: 256,796 PS allocated (BoD of 7/26/2016) 2. MIP 2nd wave: 9,497 PS allocated (BoD of 6/12/2016) 3. MIP 3rd wave: 29,410 PS allocated (BoD of 3/30/2017) • Three waves of capital increases to issue the vested PS: 4. MIP 1st wave: 236,157 PS allocated (BoD of 7/26/2017) 5. MIP 2nd wave: 3,798 PS allocated (BoD of 11/29/2017) 6. MIP 3rd wave: 29,410 PS allocated (BoD of 3/28/2018)	38 months (6/10/2019, i.e. two days prior to the date on which this Registraion Document was approved)
Allocation of free shares for employees and corporate officers without PSR OEGM of 3/23/2018 – 5th resolution	5% of capital (1) The allocation to corporate directors and officers must not exceed 20% of the total amount granted	• Four allocation plans of ordinary shares (OS): 1. PAT (Share Plan for All) no.1 : 125,188 OS granted (BoD of 3/28/2018) 2. PAT no.2 : 62,561 OS granted (BoD of 3/28/2018) 3. PAT no.3.1 : 30,373 OS granted (BoD of 7/26/2018) 4. PAT no.3.2 : 37,608 OS granted (BoD of 7/26/2018)	24 months (3/22/2020)
Company's share repurchase program OEGM 7/26/2018 - 9th resolution	2% of the share capital Maximum €100 per share	None	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ending on March 31, 2019)
Capital increase, all securities included, with PSR OEGM 7/26/2018 - 10th resolution	In capital* = €30 M (2) In debt securities** = €300 M (3)	None	26 months (9/25/2020)
Capital increase, all securities included, without PSR OEGM 7/26/2018 - 11th resolution	In capital* = €6 M (4) In debt securities** = €300 M (3)	None	26 months (9/25/2020)

Transactions/Shares concerned (Date of Shareholders' General Meeting)	Maximum amount	Use(s) (date)	Duration of authorization (expiration date)
Capital increase, all securities included, without PSR – reserved for categories of persons meeting specific criteria OEGM 7/26/2018 - 12th resolution	In capital* =€6 M (4) In debt securities** = €300 M (3)	None	18 months (1/25/2020)
Capital increase, all securities included, without PSR – offers referred to in Article L. 411-2 of the French Monetary and Financial Code OEGM of 07/25/2016 – 13th resolution	In capital = 20% of the share capital up to €6 million (4) In debt securities** = €300 M (3)	None	26 months (9/25/2020)
Increase in number of shares to issue with or without PSR in the case of excess demand (Greenshoe) OEGM of 07/25/2016 – 14th resolution	Within the limit of (i) 15% of the initial issue and (ii) of the ceiling(s) pursuant to the delegation used for the initial issue	None	26 months (9/25/2020)
Capital increase, all securities included, without PSR – derogation rules for setting the issue price OEGM of 07/25/2016 – 15th resolution	Within the limit of (i) 10% of the share capital per 12-month period and (ii) of the ceiling(s) pursuant to the delegation used for the initial issue	None	26 months (9/25/2020)
Capital increase in payment for contributions in kind comprised of shares or securities giving access to the capital OEGM of 07/25/2016 – 16th resolution	In capital = 10% of the share capital up to €6 million (4) In debt securities** = €300 M (3)	None	26 months (9/25/2020)
Capital increase by incorporating premiums, reserves, profits or other shares allowed to be capitalized OEGM of 07/25/2016 – 17th resolution	Up to the (i) total reserves, premiums or earnings, and (ii) up to €6 million (5)	None	26 months (9/25/2020)
Capital increase in payment for contributions of (equity) shares made for a public exchange offer initiated by the Company OEGM of 07/25/2016 – 18th resolution	In capital* = €6 M (4) In debt securities** = €300 M (3)	None	26 months (9/25/2020)
Capital increase by issue of shares or securities giving access to the capital reserved for members of employee savings plans without PSR OEGM 7/26/2018 - 19th resolution	In capital* = €500,000 (6) In debt securities** = €300 M (3)	None	26 months (9/25/2020)
Cancellation of shares acquired pursuant to the authorizations to buy back the Company's own shares OEGM 7/26/2018 - 20th resolution	10% of the share capital over a period of 24 months	None	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ending on March 31, 2019)

(1) Ceiling of 5% of capital (as recorded on the date of the decision by the Board of Directors to make the award) independent from the overall ceiling and sub-ceiling described in notes (2) and (4) below.
(2) Overall ceiling of €30 M in par value, applicable to all capital increase transactions that may result from the implementation of resolutions 10 to 19 of the OEGM of July 26, 2018. To this ceiling of €30M is added the nominal amount of capital increases with respect to additional ordinary shares potentially to be issued to maintain the rights of holders with access to the share capital of our Company.
*(3) Overall ceiling of €300 M in par value, applicable to all capital increase transactions described in note ** below that may result from the implementation of resolutions 10 to 19 of the OEGM of July 26, 2018. Where applicable, this amount will be increased by any redemption premium above the par value.*
(4) Overall sub-ceiling of €6 M in par value, applicable to all capital increase transactions resulting in a cancellation of the preferential subscription right that may result from the implementation of resolutions 11 to 18 of the OEGM of July 26, 2018, except for resolution 17, which is not concerned. To this sub-ceiling of €6M is added the nominal amount of capital increases with respect to additional ordinary shares potentially to be issued to maintain the rights of holders with access to the share capital of our Company. This overall sub-ceiling of €6 M in par value is charged against the overall ceiling of €30 M described in note (2) above.
(5) Maximum amount of €6 M chargeable against the overall ceiling of €30 M described in note (2) above.
(6) Maximum amount of €500 K chargeable against the overall ceiling of €30 M described in note (2) above.
** Shares.*
*** Debt securities or similar securities giving access, immediately or in the future, to the Company's capital.*

7.2.4.1.2. Description of existing authorizations

16th resolution of OEGM of April 11, 2016 (expired on June 10, 2019, i.e. two days prior to the date on which this Registration Document was approved) - Authorization granted to the Board of Directors to allocate free preferred shares of the Company to employees of the Company and/or the companies or consortia that are directly or indirectly bound to it pursuant to Articles L. 225-197-1 and following of the French Commercial Code and/or corporate officers of the Company, entailing the waiver by shareholders of their preferential subscription rights

In its 16th resolution, the Combined Ordinary and Extraordinary Shareholders' General Meeting held on first notice on April 11, 2016, granted to the Board of Directors for a period of 38 months up to and including June 10, 2019, authorization to allocate, one or more times and under the terms that it will determine, within the limits set in this authorization, free preferred shares to executives and/or corporate officers (in accordance with Article 225-197-1 of the French Commercial Code) who exercise strategic functions within the Company and/or the companies or consortia bound to it within the meaning of Article 225-197-2 of the French Commercial Code.

The total number of free preferred shares allocated may not represent more than 0.055% of the share capital and the number of ordinary shares that may be created in the event of conversion of the preferred shares may not exceed 5.5% of the share capital as at April 11, 2016.

In the case of a free allocation of preferred shares to be issued, the Board of Directors would be authorized to implement one or more capital increases by capitalization of reserves, profits, issue premiums or other amounts of which capitalization is permitted for the benefit of the beneficiaries of said shares, this authorization incorporating, by right, a corresponding waiver by shareholders, for the benefit of the beneficiaries, of their preferential subscription right to said preferred shares and to the proportion of the reserves, profits and premiums or other amounts of which capitalization is permitted thus incorporated, a transaction for which the Board of Directors benefits from a delegation of authority pursuant to Articles L. 225-129-2 and L. 225-197-1 of the French Commercial Code.

5th resolution of the OEGM of March 23, 2018 - Authorization given to the Board of Directors to proceed with the free allocation of shares

In its 5th resolution, the Ordinary and Extraordinary Shareholders' Meeting on March 23, 2018 authorized the Board of Directors for a period of 24 months up to March 22, 2020 to freely allocate existing or to be issued shares in the Company.

Under this mechanism, the Board of Directors has an authorization to freely allocate, one or more times, existing shares or to issue, to the beneficiaries or categories of beneficiaries that it decides upon among:

(i) salaried personnel of the Company or companies or consortia bound to it as defined by Article L. 225-197-2 of the French Commercial Code; and

(ii) the corporate officers of the Company or companies or consortia bound to it that fall within the meaning of Article 225-197-1, II of said Code.

The total number of shares that may be allocated shall not exceed 5% of the share capital as of the day the Board of Directors decides on the allocation.

Shares allocated to beneficiaries will be vested at the end of the acquisition term, the period of which is determined by the Board of Directors. The minimum term will be the one that is set by Article L. 225-197-1 of the French Commercial Code.

The Board of Directors may impose a continued employment requirement for beneficiaries in the Group, and may also require that Company shares be retained by the beneficiaries.

With respect to the free shares allocated to corporate officers:

- they may not exceed 20% of the total amount granted; and
- their allocation will be linked to the achievement of performance conditions that will be determined by the Board of Directors.

In the event of disability of a beneficiary, the shares will be vest immediately. In the event of death of a beneficiary, the heirs may request vesting of the shares six months from the date of death.

Existing shares that may be allocated under this authorization shall be acquired by the Company, either within the framework of the provisions of Article L. 225-208 of the French Commercial Code, or, as the case may be, within the framework of a share buy-back program in line with the provisions of Article L. 225-209 of the French Commercial Code.

In the event that new shares are freely allocated, this authorization will mean that, each time the free shares vest, shareholders waive their preferential subscription rights in favor of the beneficiaries of said shares, and that the corresponding share capital increase(s) are carried out by incorporation of reserves, profits or share issue premiums, in favor of the beneficiaries of said shares.

The Board of Directors has all powers, with the possibility to sub-delegate under the conditions provided for by law, to implement this authorization, notably in order to:

- determine whether the free shares to freely allocated are existing or to be issued shares;
- determine the number of shares allocated to each beneficiary that it will have chosen;
- set the conditions and, as the case may be, the criteria to allocate the shares, notably the minimum vesting period and, as the case may be, the duration of the holding period;
- "increase, as the case may be, capital through incorporation of reserves, profits, or share issue premiums, to proceed with the issuance of freely-allocated shares;
- allocate shares to persons referred to in the first paragraph of item II of Article L. 225-197-1 of the French Commercial Code subject to the conditions set out in Article L. 225-197-6 of the French Commercial Code. For such shares, the Board of Directors (i) shall decide that the free shares allocated cannot be sold by the beneficiaries before their employment has ceased, or (ii) shall determine the minimum number of free shares that the beneficiaries must hold as registered shares until their employment with the Company has ceased;
- foresee, as the case may be, the ability to delay the vesting dates of shares and, for the same period, the end of the holding period of such shares (such that the minimum holding period remains unchanged);
- adjust, as the case may be, the number of free shares that shall be allocated in order to maintain the beneficiaries' rights, depending on potential transactions involving the capital of the Company in the conditions set out by the applicable regulations, notably tax regulations. It is specified that shares allocated within the framework of these adjustments shall be considered as having been allocated on the same day as those initially allocated;
- determine dates and modalities to allocate the free shares, and generally do what is appropriate and execute all agreements to successfully proceed with the contemplated allocations.

The Board of Directors may also implement any other new legal provisions coming into force while this authorization is valid whose implementation would not require an express vote from the Shareholders' General Meeting.

9th resolution of the OEGM of July 26, 2018 - Authorization granted to the Board of Directors to buy back shares in the Company

Paragraph 7.2.2.3 of this Registration Document provides further details on the authorization granted to the Board of Directors to buy back shares in the Company.

10th resolution of the OEGM of July 26, 2018 - Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future

In its 10th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018 granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, a delegation of authority to increase share capital with preferential subscription rights for shareholders.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and/or other securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The total amount of capital increases that may be implemented under this authorization may not exceed €30 million in par value.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

This ceiling of €30 million is overall and combined with this 10th resolution and resolutions 11 to 19 of the OEGM of July 26, 2018.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is overall and combined with this 10th resolution and resolutions 11 to 19 of the OEGM of July 26, 2018.

In the event that the present delegation of authority is used by the Board of Directors, the issuance(s) will be reserved in favor of Company's shareholders who would have the right to subscribe in direct proportion to the number of shares they hold.

Nevertheless, the Board of Directors will have the power to grant shareholders the right to subscribe to shares or securities in excess of the minimum number to which they have preferential subscription rights proportionally to their subscription rights, and in any event, within the limit of their request.

If the subscriptions as of right (*à titre irréductible*) and, where applicable, excess subscriptions (*à titre réductible*) do not cover the entire amount of the issuance of shares or securities, as defined above, the Board of Directors may undertake, as provided by law, and in the order of its choosing, one and/or any of the following:

- limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- offer to the public all or part of the non-subscribed securities, on the French market and/or internationally.

The issuances of warrants entitling their holders to subscribe to the Company's shares may be made by a subscription offer but also by a free allocation to the shareholders of the Company. In the case of a free allocation of warrants, the Board of Directors will have the power to decide that the associated rights will not be negotiable and that the corresponding (equity) shares will be sold.

The Board of Directors has the powers, with the possibility to sub-delegate in accordance with applicable law, to proceed with the aforementioned issuance in such a form as it deems appropriate and in compliance with applicable law, and notably:

- determining the dates and the terms of issuance as well as the form and characteristics of the shares and/or securities to be issued;
- determining the number of shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issuance premium, the terms of their payment and their date of entitlement to dividends (if applicable, retroactively) and, as the case may be, their repurchase conditions;
- determining, in the event of issuing debt securities, their subordination or not (and, if applicable, their rank of subordination), setting their interest rate, providing for their term (fixed or indefinite), the possibility to reduce or increase the par value of shares and other methods of issuance and amortization, modifying during the term of the securities concerned the methods set forth above, while respecting applicable formalities;
- setting, where appropriate, the terms for exercising the rights (as the case may be, the conversion, exchange, and reimbursement rights, including by providing Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving access to the capital and, in particular, setting the date, even retroactively, from which the new shares shall be entitled to dividend rights, as well as any other conditions and terms for completing capital increase;
- suspending, where appropriate, the exercise of rights attached to the shares and/or securities to be issued in accordance with the conditions and limits provided by applicable legal and regulatory provisions;
- at its sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to bring the legal reserve to a tenth of the share capital as set after each increase;
- determining and making any adjustments intended to take into account the impact of transactions in the Company's capital or equity, in particular in the event of a change in the nominal amount of the share, of capital increase by incorporation of reserves, profits or premiums, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or any other assets, amortization of capital, or any other transaction relating to capital or equity (including in the case of public offer and/or change of control), and setting out any other conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including by way of cash adjustments);
- generally taking all appropriate measures, executing all agreements, obtaining all authorizations, carrying out all formalities necessary to ensure successful completion of the issuance or stay the implementation thereof, notably acknowledging completion of any capital increases resulting from any issuance conducted by this present delegation, amending the bylaws, requesting the listing of any shares and/or securities issued as a result of this present delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

11th resolution of the OEGM of July 26, 2018 - Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, removing preferential subscription rights, immediately or in the future

In its 11th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authority to increase share capital without preferential subscription rights for shareholders.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and/or other securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The preferential subscription right of shareholders to shares and/or securities giving rights to shares that the Company may issue will be cancelled.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

This ceiling of €6 million is overall and combined with this 11th resolution and resolutions 12, 13, 14, 15, 16, and 18 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €30 million stipulated by the 10th resolution of the OEGM of July 26, 2018 for all capital increase transactions that may be carried out under resolutions 10 to 19 of the OEGM of July 26, 2018.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million. This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is total and combined with this 11th resolution and resolutions 10 to 19 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €300 million stipulated by the 10th resolution of the OEGM of 07/25/2016.

The issuances under this authorization will be carried out by public offer.

They may be carried out together with an offer or offers provided for under Article L. 411-2 of the French Monetary and Financial Code on the basis of the 13th resolution of the OEGM of July 26, 2018.

The shareholders' preferential subscription rights to the shares and/or securities that may be issued under this delegation will be cancelled.

Nevertheless, the Board of Directors may establish for the benefit of shareholders a priority timeframe not resulting in the creation of negotiable rights, for a period that it will set in accordance with applicable law and regulations, for all or part of an issuance completed under this 11th resolution. It should be exercised in proportion to the number of shares held by each shareholder in accordance with the legal and regulatory terms. It may eventually be supplemented by an excess subscription, it being specified that unsubscribed shares will be offered publicly in France or abroad.

If the subscriptions as of right and, where applicable, excess subscriptions, do not cover the entire amount of the issuance of shares or securities, as defined above, the Board of Directors may undertake, as provided by law, and in the order of its choosing, one and/or any of the following:

- limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- offer to the public all or part of the non-subscribed securities, on the French market and/or internationally.

The methods for calculating the issue price are those provided by Article R. 225-119 of the French Commercial Code. It shall be at least equal to the weighted average of the price of three (3) stock market trading sessions preceding its fixing, possibly reduced by a maximum discount of 5%.

The Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority granted under the 10th resolution of the OEGM of July 26, 2018 to decide on issuances under this authority and to proceed with them.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's securities, until the end of the offer period.

12th resolution of the OEGM of July 26, 2018 - Delegation of authority granted to the Board of Directors to issue shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights for shareholders in favor of those persons meeting specific criteria

In its 12th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018 granted to the Board of Directors, for a period of 18 months up to and including January 25, 2020, an authority to increase the share capital for the benefit of those meeting the following criteria: financial institutions or French or foreign investment funds focused on supporting in the medium term growth companies in the technology sector.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and/or other securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The preferential subscription right of shareholders to shares and/or securities giving rights to shares that the Company may issue will be cancelled.

The Board of Directors shall define the precise list of beneficiaries of the cancellation of preferential subscription rights and the number of shares and/or securities that may be allocated to each such entity.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling of €6 million is overall and combined with this 12th resolution and resolutions 11, 13, 14, 15, 16, and 18 of the OEGM of July 26, 2018.

It is charged:

(i) against the overall ceiling of €6 million stipulated by the 11th resolution of the OEGM of July 26, 2018 for transactions resulting in the cancellation of preferential subscription rights; as well as

(ii) against overall ceiling of €30 million stipulated by the 10th resolution of the OEGM of July 26, 2018 for all capital increase transactions that may be carried out under resolutions 10 to 19 of the OEGM of July 26, 2018.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million. This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is total and combined with this 12th resolution and resolutions 10 to 19 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €300 million stipulated by the 10th resolution of the OEGM of 07/25/2016.

The issue price of ordinary shares to be issued under this resolution or which are likely to give rights to securities to be issued under this same resolution will be at least equal to the price on the closing day immediately preceding the date on which the price, decreased by 10%, is set.

The issue price of the securities giving access to the capital will be such that the amount immediately received by the Company, increased (if applicable) by the amount ultimately received, is, for each share issued as a result of the issue of these securities, at least equal to the minimum price defined above.

The Board of Directors has all the powers, with the possibility to sub-delegate, in accordance with applicable law to implement the present delegation and in particular to:

- determine the list of beneficiaries in the indicated categories and the number of securities to be allocated to each one;
- determine the terms of issuance as well as the form and characteristics of the shares and/or securities giving access to capital, the terms under which the shares or securities would be allocated as well as the dates on which the allocation rights may be exercised;
- determine, in the event of issuing debt securities, their subordination or not (and, if applicable, their rank of subordination), setting their interest rate, providing for their term (fixed or indefinite), the possibility to reduce or increase the par value of shares and other methods of issuance and amortization, modifying during the term of the securities concerned the methods set forth above, while respecting applicable formalities;
- to set, where appropriate, the terms for exercising the rights (as the case may be, the conversion, exchange, and reimbursement rights, including by providing Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving access to the capital and, in particular, setting the date, even retroactively, from which the new shares shall be entitled to dividend rights, as well as any other conditions and terms for completing the capital increase;
- suspend, if need be, the exercise of rights attached to these shares and/or securities to be issued under the conditions and limits provided by applicable laws and regulations;
- on its sole initiative, deduct the costs of capital increases from the amount of related premiums and deduct from this amount the sums required to constitute the legal reserve;
- make whatever changes are needed to take into account transactions in the Company's share capital, conclude any agreement needed to properly carry out the planned issues, note the completion of capital increases, amend the bylaws accordingly, follow all necessary procedures, and in general do whatever is necessary.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

13th resolution of the OEGM of July 26, 2018 - Delegation of authority granted to the Board of Directors in order to issue, by an offer set out at Article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights

In its 13th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authority to increase the share capital within the context of offers covered by Article 411-2 II of the French Monetary and Financial Code (called "private placements").

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, en euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment or free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

Subscription for these shares and securities may be done in either cash, liquid and payable receivables, or by incorporation of reserves, profits or issue premiums.

The preferential subscription right of shareholders to shares and/or securities giving rights to shares that the Company may issue will be cancelled.

The maximum amount of capital increases that may be carried out under this resolution may not, under the limit provided by regulations applicable on the issue date, exceed 20% of the share capital per year, and may not exceed the ceiling of €6 million in par value.

This ceiling of €6 million is overall and combined with this 13th resolution and resolutions 11, 12, 14, 15, 16, and 18 of the OEGM of July 26, 2018.

It is charged against:

(i) the overall ceiling of €6 million stipulated by the 11th resolution of the OEGM of July 26, 2018 for transactions resulting in the cancellation of preferential subscription rights; as well as

(ii) against the overall ceiling of €30 million euro stipulated by 10th resolution of the OEGM of July 26, 2018 for all capital increase transactions that may be carried out under resolutions 10 to 19 of the OEGM of July 26, 2018.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million. This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is total and combined with this 13th resolution and resolutions 10 to 19 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €300 million stipulated by the 10th resolution of the OEGM of 07/25/2016.

If the subscriptions do not absorb the total issuance, the Board of Directors may limit the transaction's amount to the amount of subscriptions received, provided that they reach at least three-quarters of the subscriptions issued.

The methods for calculating the issue price are those provided by Article R. 225-119 of the French Commercial Code. It shall be at least equal to the weighted average of the price of three (3) stock market trading sessions preceding its fixing, possibly reduced by a maximum discount of 5%.

The Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority granted under the 10th resolution of the OEGM of July 26, 2018 to decide on issuances under this authority and to proceed with them.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

14th resolution of the OEGM of July 26, 2018 - Delegation of authority granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issue.

In its 14th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authority to increase the number of shares to be issued, in the event that demand is greater than the proposed number of shares.

This additional issuance shall take place within thirty days of the closing of the subscription period, within the limits:

(i) of ceiling(s) applicable to the initial issuance; and

(ii) a maximum of 15% of its amount.

Furthermore, it must be made at the same price as the initial issuance.

The Board of Directors has all powers required, with the possibility to sub-delegate, in accordance with applicable law and the bylaws, to implement this delegation of authority.

15th resolution of the OEGM of July 26, 2018 - Delegation of authority granted to the Board of Directors in the event of issuance without preferential subscription rights, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of fixing the issue price within the limit of 10% of the Company's share capital under the conditions adopted by the Shareholders' General Meeting.

In its 15th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authorization to approve the derogation rules for setting the issue price.

Under this mechanism, the Board of Directors is authorized, for each of the issuances decided under the 11th and 13th resolutions of the OEGM of July 26, 2018, to derogate from the price terms set forth in these resolutions.

It can thus set the issue price of the ordinary shares to be issued or which are likely to give the right to securities to be issued in accordance with the following methods:

- last closing price preceding the setting of the price with a maximum discount of 5%; or
- average share price on the market, weighted by the trade volume of the share during the trading day on which the issue price was set, with a maximum discount of 5%.

It is specified that the issue price for the securities other than ordinary shares should be that of the sums received immediately by the Company plus, where appropriate, the sum likely to be collected subsequently by the Company for each ordinary share issued as a consequence of the issuance of the securities, at least equal to the amount determined by the Board of Directors in the above two formulas.

This authorization is valid up to the limit of 10% of the share capital of the Company for a period of 12 months. It is hereby specified that this 5% limit applies to the adjusted share capital based on transactions affecting it after the OEGM of July 26, 2018.

If it uses this delegation, the Board of Directors shall draft an additional report, certified by the statutory auditors, describing the final terms of the transaction and providing criteria for assessing the actual impact on the position of shareholders.

The Board of Directors has all powers required, with the possibility to sub-delegate, in accordance with applicable law and the Company's bylaws, to implement this authorization.

16th resolution of the OEGM of July 26, 2018 - Delegation of powers granted to the Board of Directors for the purpose of proceeding with an increase in the Company's share capital in payment for contributions in kind consisting of shares or securities giving access to the Company's share capital

In its 16th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors for a period of 26 months up to and including September 2020, the power to increase the Company's share capital in compensation for capital contributions in kind consisting of shares or securities giving access to the Company's share capital.

Under this mechanism, the Board of Directors has the powers to proceed, based on the statutory auditors' report, to issue ordinary shares and/or any securities giving access by any means, immediately or in the future, at any time or on a set date, by subscription, conversion, trade, reimbursement, presentation of a warrant or any other manner, to the share capital of the Company (including shares giving the right to the allocation of debt securities).

This delegation of authority is valid up to the limit of 10% of the share capital of the Company for a period of 12 months.

This 10% limit applies to the adjusted share capital based on transactions affecting it after the OEGM of July 26, 2018.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling of €6 million is combined with this 16th resolution and resolutions 11, 12, 13, 14, 15, and 18 of the OEGM of July 26, 2018.

It is charged against:

(i) the overall ceiling of €6 million stipulated by the 11th resolution of the OEGM of July 26, 2018 for transactions resulting in the cancellation of preferential subscription rights; as well as

(ii) against the overall ceiling of €30 million stipulated by the 10th resolution of the OEGM of July 26, 2018 for all capital increase transactions that may be carried out under resolutions 10 to 19 of the OEGM of July 26, 2018.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is overall and combined with this 16th resolution and resolutions 10 to 19 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €300 million stipulated by the 10th resolution of the OEGM of 07/25/2016.

The Board of Directors has the same powers as those set out in the previous paragraph describing the delegation of authority granted under the 10th resolution of the OEGM of July 26, 2018 to decide on issuances under this authority and to proceed with them.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting make use of this delegation from the time a third party submits a public offer for the Company's shares until the end of the offer period.

In its 17th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, an authority to increase the share capital by incorporating premiums, reserves, profits or other shares allowed to be capitalized

In its 17th resolution, the Ordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authority to increase the share capital by incorporating premiums, reserves, profits or other shares allowed to be capitalized under applicable law and the bylaws.

These capital increases will be in the form of free share allocations or an increase in the par value of existing shares or even a combination of these two methods.

The total amount of share capital increases likely to be completed (increased if necessary by the amount necessary to preserve the rights of the holders of the securities or other rights giving access to the share capital):

- may not exceed the amount of the premium accounts, reserves, profits or other, existing at the time the issuance is decided upon; and
- may not exceed a ceiling of €6 million.

This ceiling is charged against the overall ceiling of €30 million stipulated by the 10th resolution of the OEGM of July 26, 2018 for all capital increase transactions that may be carried out under resolutions 10 to 19 of the OEGM of July 26, 2018.

The Board of Directors has all powers, with the possibility to sub-delegate, to proceed with the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, notably to:

- to determine the dates, methods, and other characteristics of the issuance;
- deciding, with regard to free share allocation plans, that the rights forming fractional shares will not be negotiable or assignable and that the corresponding shares will be sold in accordance with the terms and conditions determined by the Board of Directors;
- setting any terms and conditions to ensure, where appropriate, the preservation of the rights of the holders of securities giving access to capital or other rights giving access to the capital (including by way of cash adjustment);
- take all appropriate measures, execute all agreements, obtain all authorizations, carry out all formalities necessary to ensure successful completion of the issuance or stay the implementation thereof, notably acknowledging completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws, and request the listing of any securities issued under this delegation.

18th resolution of the OEGM of July 26, 2018 - Delegation of authority granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to Company's share capital, in payment for shares contributed to a public exchange offer (PEO) initiated by the Company.

In its 18th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authority to increase share capital in payment for shares contributed to a PEO initiated by the Company.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue ordinary shares and/or securities giving immediate or future access at any time or on a specific date by subscription, conversion, trade, reimbursement, presentation of a warrant or any other means to the share capital of the Company against payment or free of change, in payment for the securities that are contributed within the context of a PEO initiated in France or abroad, in accordance with local regulations, by the Company on its securities or the securities of another company registered on a regulated stock exchange as provided for under Article L. 225-148 of the French Commercial Code.

This delegation is valid for any other transaction having the same effect as a PEO initiated by the Company for its own shares or the shares of another company whose shares are admitted for trade on a relevant regulated market under foreign law, or which may be similar.

Shareholders do not have a preferential subscription right to shares and/or securities that are issued under this delegation. They will only have the right to receive consideration for shares included in a PEO initiated by the Company.

The total amount of capital increases that may be implemented under this authorization may not exceed €6 million in par value.

This ceiling of €6 million is overall and combined with this 18th resolution and resolutions 11, 12, 13, 14, 15, and 16 of the OEGM of July 26, 2018.

It is charged against:

(i) the overall ceiling of €6 million set in the 11th resolution of the OEGM of July 26, 2018 for transactions resulting in the cancellation of preferential subscription rights, as well as

(ii) against the overall ceiling of €30 million stipulated by the 10th resolution of the OEGM of July 26, 2018 for all capital increase transactions that may be carried out under resolutions 10 to 19 of the OEGM of July 26, 2018.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is overall and combined with this 18th resolution and resolutions 10 to 19 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €300 million stipulated by the 10th resolution of the OEGM of 07/25/2016.

The price of the shares and/or securities that would be issued pursuant to this resolution shall be set in accordance with the laws and regulations concerning PEOs.

The Board of Directors has all powers, with the possibility to sub-delegate, to proceed with the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, notably to:

- to set the exchange parity as well as, where appropriate, the amount of cash portion to be paid;
- to draw up the list of securities that may be contributed in exchange;
- to determine the dates, methods, and other characteristics of the issuance;
- to determine and make any adjustments intended to take into account the impact of transactions in the Company's capital or equity, in particular in the event of a change in the nominal amount of the share, of capital increase by incorporation of reserves, profits or premiums, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or any other assets, amortization of capital, or any other transaction relating to capital or equity (including in the case of public offer and/or change of control), and setting out any other conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including by way of cash adjustments);

- at its sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to bring the legal reserve to a tenth of the share capital as set after each increase;
- take all appropriate measures, execute all agreements, obtain all authorizations, carry out all formalities necessary to ensure successful completion of the issuance or stay the implementation thereof, notably acknowledging completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws, and request the listing of any securities issued under this delegation.

19th resolution of the OEGM of July 26, 2018 -Delegation of authority granted to the Board of Directors for the purpose of proceeding with an increase of the share capital through ordinary shares or securities issuance restricted to employees subscribing to an employee savings plan (ESP) with elimination of the preferential subscription rights in favor of them

In its 19th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018, granted to the Board of Directors, for a period of 26 months up to and including September 25, 2020, an authority to increase the share capital for members of the ESP.

Under this mechanism, the Board of Directors has authority to, one or more times, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, issue in France and/or abroad against payment of free of charge ordinary shares and/or securities giving immediate or future access at any time or on a fixed date whatever means including subscription, conversion, trade, presentation of a coupon or any other means to the share capital of the Company (including shares giving the right to the allocation of debt securities).

The preferential subscription right of shareholders to shares and/or securities giving rights to shares that the Company may issue will be cancelled.

These issuances will be reserved to members of one or more ESPs that will be implemented within the scope of consolidation of the Group.

In the event of a free allocation of shares or securities giving access to capital to the beneficiaries indicated below, the shareholders waive all rights to said shares or securities giving access to capital, including to the portion of the reserves, profits or share premiums incorporated in the share capital, in proportion to the number of free shares allocated on the basis of this delegation.

With a total maximum par value of €500,000, these issuances will be charged against the overall ceiling of €30 million stipulated by the 10th resolution of the OEGM of July 26, 2018 for all capital increases carried out through implementation of resolutions 10 to 19 of the OEGM of July 26, 2018.

This ceiling is in addition to the total par value of the capital increases related to the ordinary shares that may be issued in order to preserve, if applicable, the rights of the holders of securities and of holders of rights giving access to the Company's share capital.

The par value of debt securities or similar securities giving access, immediately or in the future to the Company's capital, likely to be issued under this delegation may not exceed €300 million, it being specified that this total will be increased, if applicable, by any redemption premium in excess of the par value.

This ceiling of €300 million is overall and combined with this 19th resolution and resolutions 10 to 18 of the OEGM of July 26, 2018.

It is charged against the overall ceiling of €300 million stipulated by the 10th resolution of the OEGM of July 26, 2018.

The issue price of these new shares or securities giving access to the capital issued under this delegation (the "Reference Price") will be set with reference to the average share price on Euronext Paris during the last twenty trading days preceding the date that the Board of Directors decides to set the opening date of the subscription period for the capital increased reserved to ESP members.

A discount of 20% to 30% may be applied in accordance with legal requirements.

The Board of Directors may, if it determines that it is appropriate, reduce or waive the aforementioned discount, in particular to comply with the applicable local regulations in the countries in which the issue will be implemented.

The Board of Directors may proceed, by substitution of all or a part of the discount with respect to the Reference Price and/or contribution, with the free allocation of shares or securities giving access to capital.

The Board of Directors may transfer shares to ESP members. Share transfers completed with a discount for members of one or more ESPs will be charged against the par value of the shares thus sold against the ceilings set forth above.

The Board of Directors has all powers, with the possibility to sub-delegate, to proceed with the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, notably to:

- to establish, in accordance with the law, the list of companies for which the members of one or more employee savings plans may subscribe to the shares and securities conferring entitlement to shares thereby issued and benefit, where applicable, from the shares and securities conferring entitlement to shares allotted free-of-charge;
- to decide that the subscriptions could be made directly by the beneficiaries, members of an employee savings plan, or through a company mutual fund or other structures or entities permitted under applicable legal or regulatory provisions;
- to determine the conditions, in particular seniority, that the beneficiaries of capital increases provided for in the present delegation must meet;
- to set subscription opening and closing dates;
- to set the amount of the capital increases that will be completed by virtue of the present delegation of powers and in particular, to set the issue price, dates, periods, procedures and conditions of subscription, payment, delivery and enjoyment of shares (even retroactive), downsizing rules to be applied in case of over subscription, and all other terms and conditions for the issue, within the applicable legal and regulatory limits;
- to determine and make any adjustments intended to take into account the impact of transactions on the Company's capital or equity, in particular in the event of a change in the nominal amount of the share, of capital increase by incorporation of reserves, profits or premiums, free allocation of shares, stock split or reverse stock split, distribution of dividends, reserves or premiums or any other assets, amortization of capital, or any other transaction relating to capital or equity (including in the case of public offer and/or change of control), and setting out any other conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the capital or other rights giving access to the capital (including by way of cash adjustments);
- in case of free-of-charge allotment of shares or securities conferring entitlement to shares, to determine the nature, the characteristics and the number of shares or securities conferring entitlement to shares to be issued, the number to be allotted to each beneficiary, and to determine the dates, periods, terms and conditions for the allotment of these shares or securities conferring entitlement to shares, within the applicable legal and regulatory limits and in particular to choose either to fully or partially substitute the allotment of these shares or securities conferring entitlement to shares for a discount to the Reference Price provided for herein, or to charge the equivalent value of these shares against the total amount of the employer's contribution, or to combine these two possibilities;

- in the event of issue of new shares being allotted free-of-charge, where applicable, to charge the sums necessary to pay up said shares against reserves, profits or share premiums;
- to acknowledge completion of capital increases with the number of subscribed shares (after reductions in the event of over subscription);
- where applicable, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one-tenth of the new share capital resulting from these share capital increases;
- to enter into any agreements, to carry out all operations directly or indirectly through an agent, including completing all necessary formalities further to the capital increases and the corresponding amendments to the bylaws, and, generally, to enter into any agreement, in particular to ensure the successful conclusion of the planned issues, to take all measures and decisions, and to carry out all formalities appropriate for the issue, admission to trading and financial servicing of the shares issued by virtue of the present delegation, as well as the exercise of the rights attaching thereto or resulting from the completed capital increases.

20th resolution of the OEGM of July 26, 2018 - Authorization for the Board of Directors to cancel, if necessary, the Company's own treasury shares up to a maximum of 10%

In its 20th resolution, the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018, authorized the Board of Directors to cancel shares of the Company acquired under authorizations granted by the Shareholders' General Meeting.

In accordance with Article L. 225-209 of the French Commercial Code, at its sole discretion, the Board of Directors has authority to cancel treasury shares, in one or more transactions, up to a maximum of 10% of the capital during a period of 24 months. Furthermore, it has the power to proceed with a corresponding decrease in share capital.

The difference between the purchase price and the shares' nominal value shall be offset against issuance premiums and, if need be, the legal reserve up to 10% of the cancelled capital.

This authorization is valid until the day of the Shareholders' General Meeting called to approve the financial statements for the year ended March 31, 2019.

The Board of Directors has all powers, with the possibility to sub-delegate, to undertake any act, formality or declaration with a view to cancelling the shares acquired and decreasing the share capital, and to amend the bylaws as a result.

7.2.4.2 Special report on stock options transactions for the 2018-2019 fiscal year

Pursuant to Article L. 225-184 of the French Commercial Code, we disclose below the transactions allocating, exercising and cancelling stock options in the Company undertaken during the 2017-2018 fiscal year.

I. Allocation of stock options during the 2018-2019 fiscal year

During 2018-2019 fiscal year, no stock option has been allocated to employees or to the corporate officer, neither by or Company or by the companies under its control as per the meaning of Article L. 233-16 of the French Commercial Code, or by the companies or consortia bound to the Company under the conditions set forth by Article L. 225-180 of the French Commercial Code.

II. Exercise of stock options or stock purchases during the 2018-2019 fiscal year:

1. Exercise of stock options under plans allocated in 2018-2019:

Not applicable.

2. Exercise of stock options under plans previously allocated:

Not applicable.

III. Cancellation of stock options during the 2018-2019 fiscal year

Not applicable.

7.2.4.3 Special report on free share transactions completed during the 2018-2019 fiscal year

Pursuant to Article L. 225-197-4 of the French Commercial Code, we disclose below the transactions allocating, exercising and cancelling stock options in the Company (the "Company") undertaken during the 2018-2019 fiscal year.

I. Free allocation of shares during the 2018-2019 fiscal year

Under the authorization adopted by the Ordinary and Extraordinary Shareholders' General Meeting of March 23, 2018, the Board of Directors again used the delegation of authority granted to it to freely allocate ordinary shares.

On July 26, 2018, it was decided to implement to two plans for all Group employees. Both plans have continued employment and performance conditions.

The table below sums up the information relating to these two free ordinary share allocations:

Date of Shareholders' General Meeting	**3/23/2018**	**3/23/2018**
Name of Plan	PAT n°3.1 (France)	PAT n°3.2 (Rest of the world)
Date of Board of Directors' meeting	7/26/2018	7/26/2018
NUMBER OF SHARES ALLOCATED*	**307,373**	**37,608**
Of which number of shares for corporate officers	-	-
Of which number of shares for the top ten employee recipients	20,555	8,886
Beneficiaries number	**991**	**97**
Vesting period	7/26/2018 to 7/27/2021	7/26/2018 to 7/27/2021
Holding period	N/A	N/A
Number of shares vested*	-	-
Number of shares remaining*	**266,726**	**34,674**

* *As at March 31, 2019.*

During the 2018-2019 fiscal year, no free share has been allocated to corporate officers by virtue of the positions they hold, by the Company or companies or consortia that are bound to it within the meaning of Article L. 233-16 of the French Commercial Code.

Furthermore, during the 2017-2018 fiscal year, no free share has been allocated to employees by the companies or consortia bound to the Company under the conditions of Article L. 225-197-2 of the French Commercial Code.

II. Vesting during the 2018- 9 fiscal year of shares freely allocated during previous fiscal years

For the 2018-2019 fiscal year, there were no cancellations of shares freely allocated during previous fiscal years.

III. Cancellations during 2018-2019 fiscal year of shares freely allocated during previous fiscal years

For the 2018-2019 fiscal year, 56,943 shares freely allocated during the 2017-2018 and 2018-2019 fiscal years were canceled.

7.2.5 INFORMATION ON THE CAPITAL OF GROUP COMPANIES SUBJECT TO AN OPTION OR CONDITIONAL OR UNCONDITIONAL AGREEMENT PROVIDING FOR PLACING IT UNDER OPTION

On the submission date of this Registration Document, there was not, to the Company's knowledge, any option on the capital of a company of the Group or a conditional or unconditional agreement providing for placing the capital of these companies under option.

7.2.6 CHANGES IN THE SHARE CAPITAL DURING THE LAST FIVE YEARS

The table below summarizes each of the changes in the Company's share capital during the last five years.

› Data before reverse-stock split operations that became effective on February 8, 2017

Date	Type of transaction	Changes in the share capital *(in €)*	Issue premium and capital contributions *(in €)*	Change in number of outstanding shares	Nominal value *(in €)*	Cumulative structure of share capital *(in €)*	*(in shares)*
6/6/2014	Capital increase by vesting of free shares	56,170	-	561,695	0.10	17,314,249	173,142,490
6/12/2014	Capital increase by conversion of OCEANE bonds	15	1,268	150	0.10	17,314,264	173,142,640
7/22/2014	**CAPITAL INCREASE WITH MAINTENANCE OF THE PREFERENTIAL SUBSCRIPTION RIGHT**	**5,194,279**	**77,914,188**	**51,942,792**	**0.10**	**22,508,543**	**225,085,432**
2/3/2015	**CAPITAL INCREASE BY ISSUANCE OF SHARE WARRANTS**	**600,000**	**4,620,000**	**6,000,000**	**0.10**	**23,108,543**	**231,085,432**
10/3/2015	Capital increase by purchase of free shares and conversion of convertible bonds into new or existing shares (OCEANE 2018)	10,299	29,546	102,994	0.10	23,118,843	231,188,426
4/28/2015	Capital increase by vesting of free shares	11,489	-	114,894	0.10	23,130,332	231,303,320
18/12/2015	Capital increase by vesting of free shares	2,086	-	20,864	0.10	23,132,418	231,324,184
5/2/2016	**CASH CAPITAL INCREASES RESERVED FOR BPIFRANCE PARTICIPATIONS, CEA INVESTISSEMENT AND NSIG SUNRISE S.À.R.L.**	**13,903,405**	**62,565,323**	**139,034,051**	**0.10**	**37,035,824**	**370,358,235**
8/6/2016	**CAPITAL INCREASE WITH THE PREFERENTIAL SUBSCRIPTION RIGHT**	**23,568,251**	**51,850,152**	**235,682,510**	**0.10**	**60,604,074**	**606,040,745**
14/6/2016	Capital increase by vesting of free shares	18,947	-	189,472	0.10	60,623,022	606,230,217
12/2/2016	Capital increases by conversion of OCEANE 2018 bonds	0.10	-	1	0.10	60,623,022	606,230,218
12/6/2016	Capital reduction not motivated by losses via cancellation of treasury shares	(1.80)	-	(18)	0.10	60,623,020	606,230,200

› Data after reverse-stock split that became effective on February 8, 2017

Date	Type of transaction	Changes in the share capital *(in €)*	Issue premium and capital contributions *(in €)*	Change in number of outstanding shares	Nominal value *(in €)*	Cumulative structure of the share capital *(in €)*	*(in shares)*
07/26/2017	Capital increase by vesting of free preferred shares	23,615.70	-	236,157	0.10	60,646,635.70	30,547,667
08/08/2017	**CAPITAL INCREASES BY CONVERSION OF OCEANE 2018 BONDS**	**2,112,114**	**-**	**1,056,057**	**2.00**	**62,758,749.70**	**31,603,724**
06/12/2017	Capital increase by vesting of free preferred shares	379.80	-	3,798	0.10	62,759,129.50	31,607,522
03/30/2018	Capital increase by vesting of free preferred shares	2,941	-	29,410	0.10	62,762,070.50	31,636,932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Number of resolutions on the agenda
7/26/2019
Date of the Shareholders' General Meeting
at 3:00 p.m.
At the registered office, in Bernin

8.

Shareholders' General Meeting

8.1 AGENDA

During its session of June 12, 2019, our Board of Directors decided to convene an Ordinary and Extraordinary Shareholders' General Meeting on:

Friday July 26, 2019, at 3:00 pm, Paris time

at the Company's registered office located at

Parc Technologique des Fontaines – Chemin des Franques – 38190 Bernin – France

in order to submit the 37 draft resolutions comprising in the agenda below for shareholder approval.

If the required quorum is not achieved, the Ordinary and Extraordinary Shareholders' General Meeting will be convened on Thursday September 12, 2019 at 2:00 pm, Paris time, at the Company's registered office located at Parc Technologique des Fontaines – Chemin des Franques – 38190 Bernin - France.

› Resolutions within the competence of the Ordinary Shareholders' General Meeting

First resolution:	Approval of the statutory financial statements for the fiscal year ended on March 31, 2019
Second resolution:	Approval of the consolidated financial statements for the fiscal year ended on March 31, 2019
Third resolution:	Appropriation of income for the fiscal year ended on March 31, 2019
Fourth resolution:	Approval of the regulated agreements and commitments subject to the provisions of Articles L. 225-38 et seq. of the French Commercial Code
Fifth resolution:	Appointment of Ms. Françoise Chombar as a new Director
Sixth resolution:	Appointment of Ms. Shuo Zhang as a new Director
Seventh resolution:	Ratification of the co-option of Mr. Kai Seikku as a Director
Eighth resolution:	Ratification of the co-option of Mr. Jeffrey Wang as a Director
Ninth resolution:	Reappointment of Mr. Paul Boudre as a Director
Tenth resolution:	Reappointment of Bpifrance Participations as a Director
Eleventh resolution:	Reappointment of CEA Investissement as a Director
Twelfth resolution:	Reappointment of Ms. Laurence Delpy as a Director
Thirteenth resolution:	Reappointment of Mr. Christophe Gegout as a Director
Fourteenth resolution:	Reappointment of Mr. Kai Seikku as a Director
Fifteenth resolution:	Reappointment of Mr. Thierry Sommelet as a Director
Sixteenth resolution:	Reappointment of Mr. Jeffrey Wang as a Director
Seventeenth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Paul Boudre, Chief Executive Officer, for the fiscal year ended on March 31, 2019
Eighteenth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Thierry Sommelet, Chairman of the Board of Directors up to March 27, 2019, in respect of the fiscal year ended on March 31, 2019
Nineteenth resolution:	Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Éric Meurice, Chairman of the Board of Directors since March 27, 2019, in respect of the fiscal year ended on March 31, 2019
Twentieth resolution:	Approval of the compensation policy for executive corporate officers for the current fiscal year ending on March 31, 2020
Twenty-first resolution:	Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares

› Resolutions within the competence of the Extraordinary Shareholders' General Meeting

Twenty-second resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future
Twenty-third resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights, through a public offer
Twenty-fourth resolution:	Delegation of authority to be granted to the Board of Directors in order to issue, by an offer set out at Article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights
Twenty-fifth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, reserved to categories of persons meeting defined requirements, without shareholders' preferential subscription rights
Twenty-sixth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights, within the limit of 15% of the initial issuance
Twenty-seventh resolution:	Authorization to be granted to the Board of Directors in the event of issuance, without preferential subscription rights, of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issuance price within the limit of 10% of the Company's share capital under the terms and conditions adopted by the Shareholders' General Meeting
Twenty-eighth resolution:	Delegation of powers to be granted to the Board of Directors for the purpose of proceeding with an increase of the Company's share capital in compensation for capital contributions in kind consisting of shares or securities giving access to the Company's share capital
Twenty-ninth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized
Thirtieth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to the Company's share capital, to compensate shares brought within the framework of a public exchange offer initiated by the Company
Thirty-first resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital through shares or securities issuance reserved to employees subscribing to a company savings plan, without preferential subscription rights
Thirty-second resolution:	Authorization to be granted to the Board of Directors to proceed with the allocation of free shares
Thirty-third resolution:	Creation of a new category of preference shares convertible into ordinary shares and corresponding amendment to the bylaws
Thirty-fourth resolution:	Authorization to be granted to the Board of Directors to allocate free of charge, pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code, Company PS 2 to employees and/or corporate officers of the Company and/or of companies or groups directly or indirectly related to it, entailing the waiver by shareholders of their preferential subscription rights
Thirty-fifth resolution:	Delegation of authority to be granted to the Board of Directors for the purpose of issuing PS 2, without preferential subscription rights, reserved to persons meeting defined requirements
Thirty-sixth resolution:	Authorization to be granted to the Board of Directors to cancel, where appropriate, the Company's own treasury shares up to a maximum of 10%
Thirty-seventh resolution:	Powers for formalities

8.2 EXPLANATORY STATEMENTS AND DRAFT RESOLUTIONS SUBMITTED TO OUR ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF JULY 26, 2019

8.2.1 RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' GENERAL MEETING

- RESOLUTIONS 1 TO 3: APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF INCOME -

Under **resolutions 1 to 3**, we propose you to:

- **approve the statutory financial statements** of our Company for the fiscal year ended on March 31, 2019, which show **revenue of €448,693,560.87 and profit of €108,459,703.18**, and also to approve an overall global amount of non-deductible expenditures and charges subject to corporate tax amounting to €129,985.34 in respect of the fiscal year and an estimated related tax charge of €44,624;
- **approve the annual consolidated financial statements** for the fiscal year ended March 31, 2019, which show **revenue of €443,946 thousand and a net profit Group share of €90,187 thousand**; and
- **appropriate the profit** for the fiscal year ended on March 31, 2019, **amounting to €108,459,703.18**, as follows:
  - **€505,769.02, to the "Statutory Reserve"** which would take it from €5,770,438.03 to **€6,276,207.05**, and would thus reach an amount at least equal to 10% of our share capital, and
  - **the remaining amount,** ***i.e.*** **€107,953,934.16, to "Retained Earnings"** taking it from €45,170,435.55 to €153,124,369.71.

First resolution – Approval of the statutory financial statements for the fiscal year ended on March 31, 2019

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the report of the Board of Directors and the Statutory Auditors' reports, **approves** the statutory financial statements for the fiscal year ended on March 31, 2019, in their entirety, including the balance sheet, the income statement and appendix, as well as the operations reflected in these financial statements or summarized in these reports, as they are presented, showing revenue of €448,693,560.87 and profit of €108,459,703.18.

The Shareholders' General Meeting also **approves** the global amount of expenditures and charges referred to in Article 39-4 of the French General Tax Code amounting to €129,985.34 in respect of the fiscal year ended March 31, 2019 and which generated an estimated tax charge of €44,624.

Second resolution – Approval of the consolidated financial statements for the fiscal year ended on March 31, 2019

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the report of the Board of Directors and the Statutory Auditors' reports, **approves** the consolidated financial statements for the fiscal year ended on March 31, 2019, including the balance sheet, the income statement and appendix, as well as the operations reflected in these financial statements or summarized in these reports, as they are presented, showing revenue of €443,946 thousand and a net profit Group share of €90,187 thousand as well as operations represented in these accounts and summarized in these reports.

Third resolution – Appropriation of income for the fiscal year ended on March 31, 2019

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' Management report and the Statutory Auditors' report on the annual financial statements for the fiscal year ended March 31, 2019, **decides** to appropriate the profit for the fiscal year ended on March 31, 2019, amounting to €108,459,703.18, as follows:

- €505,769.02, to the "Statutory Reserve" taking it from €5,770,438.03 to €6,276,207.05 and consequently reaching an amount at least equal to 10% of the Company's share capital; and
- the remaining amount, *i.e.* €107,953,934.16 to the "Retained Earnings" item, taking it from €45,170,435.55 to €153,124,369,71.

The Shareholders' General Meeting **acknowledges** that there has not been any payment of dividends over the past three fiscal years.

- RESOLUTION 4: REGULATED AGREEMENTS -

Under **resolution 4**, we propose you to **review the information provided in our Statutory Auditors' report on regulated agreements and commitments, and to approve its findings**, pursuant to the conditions of Article L. 225-40 of the French Commercial Code.

It is stated that during the fiscal year ended on March 31, 2019:

- **two new regulated agreements were signed with the French Atomic Energy Commission (Commissariat à l'energie atomique - CEA)**, both dated **July 27, 2018**, the first to renew a multi-year R&D cooperation agreement, the second for a patent and know-how communication license for the manufacturing and sale of substrates;
- **three new regulated agreements were signed with Shanghai Simgui Technology Co. Ltd.**, all three dated **January 17, 2019**, the first for a licensing and technology transfer agreement, the second for an SOI wafer supply contract and the third being an amendment to a raw materials supply contract;
- **the three previously approved regulated agreements signed with GlobalFoundries (GF), in April, May and September 2017**, to govern the main terms and conditions of commercial relations between our Company, GF and some subsidiaries, continued throughout the fiscal year ended on March 31, 2019;
- **the shareholders' agreement** previously approved and signed on March 7, 2016, between our Company and its three strategic investors, Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l., continued throughout the fiscal year ended on March 31, 2019; and
- **the review of the implementation of the compensation package of Paul Boudre, Chief Executive Officer, was conducted in accordance with the procedure set out in Articles L. 225-38 et seq. of the French Commercial Code** pursuant to the provisions of Article L. 225-42-1 of said Code.

Fourth resolution – Approval of the regulated agreements and commitments subject to the provisions of Articles L. 225-38 *et seq*. of the French Commercial Code

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Statutory Auditors' special report on related-party agreements and commitments under Article L. 225-38 *et seq.* of the French Commercial Code, **declares that it approves** said report presenting the regulated agreements and commitments signed or approved previously that continued during the fiscal year ended on March 31, 2019, as well as the related-party agreements and commitments that were signed during the fiscal year ended on March 31, 2019.

The Shareholders' General Meeting also **acknowledges** that the implementation of the compensation package of the Chief Executive Officer for the 2018-2019 fiscal year as well as the components of variable compensation in respect of the current 2019-2020 fiscal year, has been reviewed by the Board of Directors in accordance with the procedure set out in Articles L. 225-38 *et seq.* of the French Commercial Code, as per the provisions of Article L. 225-42-1 of said Code.

- RESOLUTIONS 5 TO 16: COMPOSITION OF OUR BOARD OF DIRECTORS -

Under **resolutions 5 and 16** we propose you to:

- **appoint Françoise Chombar as a new Director, who would take over from Nadine Foulon-Belkacémi whose appointment as a Director will expire at the close of your Shareholders' General Meeting;**
- **appoint Shuo Zhang as a new Director, to replace Monica Beltrametti whose term of office as Director will expire at the close of our Shareholders' General Meeting;**
- **ratify the appointment of 2 co-opted Directors, Kai Seikku and Jeffrey Wang; and**
- **renew the terms of office of 8 Directors, Paul Boudre, Bpifrance Participations, CEA Investissement, Laurence Delpy, Christophe Gegout, Kai Seikku, Thierry Sommelet, and Jeffrey Wang.**

The biographies of all of these candidates can be found in paragraph 4.1.2.3 of this Registration Document.

It is stipulated that if all of these resolutions are adopted, **our Board of Directors will still be composed of 5 women and 7 men, with a feminization rate of 41.66%.** This proportion would comply with the provisions of Article L. 225-18-1 of the French Commercial Code resulting from law no. 2011-103 of January 27, 2011 on the balanced gender representation within Boards of Directors and Supervisory Boards and professional equality, known as the Copé-Zimmermann law.

Furthermore, the appointment of Ms. Françoise Chombar as a new independent Director to replace Ms. Nadine Foulon-Belkacémi and the appointment of Ms. Shuo Zhang as a new independent Director to replace Ms. Monica Beltrametti, given the non-renewal of Mr. Éric Meurice's term of office as Director held since April 2014 within NXP Semiconductors N.V., one of our main clients, would consequently maintain the number of independent Directors within our Board at 4. **The proportion of independent Directors serving on our Board would thus be maintained at 33.33%**, compared to 25% previously.

Fifth resolution – Appointment of Ms. Françoise Chombar as a new Director

The Shareholders' General Meeting, voting under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, **resolves** to appoint Ms. Françoise Chombar as a Director of the Company, with effect from today and for a term of three (3) years, i.e. until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements for the fiscal year ending on March 31, 2022.

Sixth resolution – Appointment of Ms. Shuo Zhang as a new Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, **resolves** to appoint Ms. Shuo Zhang as a Director of the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements for the fiscal year ending on March 31, 2022.

Seventh resolution – Ratification of the co-option of Mr. Kai Seikku as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, **ratifies** the co-option by the Board of Directors during its meeting of May 6, 2019, of Mr. Kai Seikku as a Director, to replace Mr. Nabeel Gareeb, who resigned, for the remaining duration of the latter's term of office, *i.e.* until the close of this Shareholders' General Meeting.

Eighth resolution – Ratification of the co-option of Mr. Jeffrey Wang as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, **ratifies** the co-option by the Board of Directors during its meeting of May 6, 2019, of Mr. Jeffrey Wang as a Director, to replace Mr. Weidong (Leo) Ren, who resigned, for the remaining duration of the latter's term of office, *i.e.* until the close of this Shareholders' General Meeting.

Ninth resolution – Reappointment of Mr. Paul Boudre as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that the Mr. Paul Boudre's appointment as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew his appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Tenth resolution – Reappointment of Bpifrance Participations as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that the appointment of Bpifrance Participations as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew its appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Eleventh resolution – Reappointment of CEA Investissement as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that the appointment of CEA Investissement as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew its appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Twelfth resolution – Reappointment of Ms. Laurence Delpy as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that Ms. Laurence Delpy's appointment as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew her appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Thirteenth resolution – Reappointment of Mr. Christophe Gegout as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that Mr. Christophe Gegout's appointment as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew his appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Fourteenth resolution – Reappointment of Mr. Kai Seikku as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that Mr. Kai Seikku's appointment as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew his appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Fifteenth resolution – Reappointment of Mr. Thierry Sommelet as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that Mr. Thierry Sommelet's appointment as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew his appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

Sixteen resolution – Reappointment of Mr. Jeffrey Wang as a Director

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report, notes that Mr. Jeffrey Wang's appointment as a Director expires at the close of this Shareholders' General Meeting and **decides** to renew his appointment with the Company, with effect from today for a term of three (3) years, *i.e.* until the close of the Ordinary Shareholders' General Meeting which will be held in 2022 to cast a vote on the financial statements of the fiscal year ending on March 31, 2022.

- RESOLUTIONS 17 TO 20: COMPENSATION OF OUR EXECUTIVE CORPORATE OFFICERS -

RESOLUTIONS 17 TO 19 - SAY-ON-PAY *EX-POST*

In accordance with the provisions of Article L. 225-100 II. of the French Commercial Code, resulting from the law No. 2016-1691 of December 9, 2016 (Sapin II law), the purpose of **resolutions 17 to 19** is to ask our shareholders to **approve** the fixed, variable and exceptional components of **the total compensation and benefits in kind paid or granted in respect of the fiscal year ended on March 31, 2019 to:**

- **Paul Boudre, Chief Executive Officer;**
- **Thierry Sommelet, Chairman of the Board of Directors up to March 27, 2019; and to**
- **Éric Meurice, Chairman of the Board of Directors since March 27, 2019.**

The principles and criteria for these compensations were the subject of the 8th **resolution submitted for the approval of our Shareholders Meeting on July 26, 2018**, in accordance with Article L. 225-37-2 of the French Commercial Code ("say-on-pay" *ex-ante*).

The approval of this 8th resolution had the effect of approving the compensation policy for our executive corporate officers as approved by our Board of Directors on March 28 and June 13, 2018, upon the recommendation of the Compensation Committee.

We invite you to consult the paragraph 4.2 of this Registration Document setting out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to our executive corporate officers for the fiscal year ended on March 31, 2019.

RESOLUTION 20 - SAY-ON-PAY *EX-ANTE*

Pursuant to Article L. 225-37-2 of the French Commercial Code, the purpose of **resolution 20** is to ask our shareholders to **approve the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to our executive corporate officers for the performance of their duties during the current fiscal year ending on March 31, 2020.**

These principles and criteria **comprising the compensation policy were approved by the Board of Directors** at its meeting of March 27, upon recommendation from the Compensation Committee.

We invite you to consult paragraph 4.2 of this Registration Document where this compensation policy is presented in detail.

Seventeenth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Paul Boudre, Chief Executive Officer, for the fiscal year ended on March 31, 2019

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance prepared in accordance with the provisions of Article L. 225-100 II of the French Commercial Code and presented within the Company's 2018-2019 Registration Document, **approves** the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Paul Boudre for the fiscal year ended on March 31, 2019, as presented in the aforementioned report and allocated in respect of his term of office as Chief Executive Officer.

Eighteenth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Thierry Sommelet, Chairman of the Board of Directors up to March 27, 2019, for the fiscal year ended on March 31, 2019

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance prepared in accordance with the provisions of Article L. 225-100 II of the French Commercial Code and presented within the Company's 2018-2019 Registration Document, **approves** the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Thierry Sommelet for the fiscal year ended on March 31, 2019, as presented in the aforementioned report and allocated in respect of his term of office as Chairman of the Board of Directors which ended on March 27, 2019.

Nineteenth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to Mr. Éric Meurice, Chairman of the Board of Directors since March 27, 2019, for the fiscal year ended on March 31, 2019

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance prepared in accordance with the provisions of Article L. 225-100 II of the French Commercial Code and presented within the Company's 2018-2019 Registration Document, **approves** the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Éric Meurice in respect of the fiscal year ended on March 31, 2019, as presented in the aforementioned report and allocated in respect of his term of office as Chairman of the Board of Directors since March 27, 2019.

Twentieth resolution – Approval of the compensation policy for executive corporate officers for the current fiscal year ending on March 31, 2020

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having considered the Board of Directors' report on corporate governance prepared in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code and presented within the Company's 2018-2019 Registration Document, **approves** the principles and criteria for the calculation, distribution and allocation of the fixed, variable and exceptional components of the total compensation and benefits of any kind presented in the aforementioned report and attributable to the Company's executive corporate officers, in respect of their terms of office, for the fiscal year ending on March 31, 2020.

- RESOLUTION 21: AUTHORIZATION TO CARRY OUT TRANSACTIONS ON OUR OWN SHARES -

Under **resolution 21**, we ask you to grant a **new authorization** to our Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code **to carry out transactions on the Company's shares.**

This authorization would be granted up to a maximum of **5% of the share capital** of our Company, and subject to the condition that the number of shares that the Company holds at any time shall not exceed 10% of our share capital.

The maximum purchase price would be set at €150 per share.

Pursuant to Article R. 225-151 of the French Commercial Code, we ask you to set at 1,569,051 **the maximum number of shares** that may be acquired as part of our share repurchase program, and at €235,357,650 **the maximum overall amount that would be allocated to this program.** These maximum number and maximum amount are indicative and have been calculated based on the share capital as at June 12, 2019, standing at €62,762,070.50.

This authorization would **be valid for a period expiring on the day of our Shareholders' General Meeting to be called in 2020 to cast a vote on the financial statements for the fiscal year ending on March 31, 2020,** and would void the authorization granted on July 26, 2018.

Twenty-first resolution – Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares

The Shareholders' General Meeting, under the conditions of quorum and majority required for Ordinary Shareholders' General Meetings, having reviewed the Board of Directors' report, and in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, authorizes the Board of Directors, with the right to sub-delegate, in accordance with the conditions set by law and in the Company's bylaws, to acquire or to cause Company shares to be acquired, notably for the purpose of:

- ensuring liquidity and making a market on the secondary share market of the Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the French *Autorité des marchés financiers* (as amended where appropriate); or
- the allocation or sale of shares to employees to allow them to participate in the benefits of Company's expansion or for the implementation of company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- the allocation of free shares under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- in general, meeting obligations related to share option programs or other share allocations to employees or corporate officers of the issuer or of a related company; or
- the retention and deferred award of shares (in exchange, as payment or other) for external growth operations, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution operations may not exceed 5% of the capital; or
- hedging securities giving rights to shares of the Company upon the exercise of rights attached to securities, giving rights to the attribution of Company shares through redemption, conversion, exchange, presentation of bonds, or any other means; or
- subject to the adoption of the thirty-sixth resolution, subsequently canceling, in whole or in part, the shares thus bought under the conditions provided in Article L. 225-209 of the French Commercial Code.

This program is also designed to allow the implementation of all market practices accepted or that may be accepted by the market authorities, and more generally, the completion of transactions for other reasons that are permitted or may come to be permitted by current laws and regulations, subject to the Company's shareholders being sent notification.

The share purchase may involve a number of shares, such as:

- the number of shares acquired during the term of the repurchase program may not exceed 5% of the Company's share capital (for information purposes, at the date of this Shareholders' General Meeting, a maximum of 1,569,051 shares), at the date of each buyback. This percentage applies to the capital adjusted according to these transactions occurring after this Shareholders' General Meeting, on the understanding that in the particular case of shares repurchased under a liquidity contract;
- the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the term of the authorization;
- the number of shares acquired for the purpose of conserving and subsequently delivering them as part of a merger, demerger or contribution operation may not exceed 5% of its share capital;
- the number of shares that the Company holds at any time may not exceed 10% of the Company's share capital, with this percentage applying to capital adjusted as a result of transactions occurring after this Shareholders' General Meeting.

The purchase of shares may be made on one or more occasions, by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program). However, the Company does not intend to use derivatives. These transactions may be performed at any time, pursuant to the legal provisions in force, excluding during public offerings of Company securities.

The Shareholders' General Meeting decides that the maximum purchase price is set at one hundred and fifty (150) euros per share. In the event of capital transactions, notably division or splitting of shares or award of free shares, the aforementioned amount will be adjusted in the same proportions (adjustment coefficient equal to the ratio between the number of shares comprising the capital prior to the operation and the number of shares after the operation).

The global amount of this share buyback program shall not exceed €235,357,650.

The Shareholders' General Meeting delegates to the Board of Directors all powers, with the right to sub-delegate, to implement this authorization, sign all agreements, stipulate, if required, the terms and approve the arrangements, to carry out this repurchase program, and notably to place any market order, sign any agreement, allocate or reallocate the acquired shares to the objectives pursued under the applicable legal and regulatory conditions, set the terms and conditions under which, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital will be guaranteed, in accordance with legal and regulatory provisions, and, where appropriate, with the contractual provisions for other adjustment cases, conduct all formalities and declarations with all organizations and, generally, do all that is necessary.

This authorization is valid from the date of this Meeting and will expire on the day of the Shareholders' General Meeting to be called in 2020 to cast a vote on the financial statements for the fiscal year ending on March 31, 2020, on the understanding that this authorization has the effect of voiding any authorizations previously granted by a resolution of the same nature.

8.2.2 RESOLUTIONS WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

- RESOLUTIONS 22 TO 31: FINANCIAL RESOLUTIONS -

In order to have available the appropriate resources for our Group's development, **we are proposing resolutions with the aim of granting our Board of Directors authorizations and delegations of authority or powers which would give it the means to implement different types of issues** as allowed by current regulations (**resolutions 22 to 30**).

These resolutions aim to **provide our Board of Directors with the broadest flexibility to be able to take advantage of any potential financing opportunities.**

According to market conditions, the type of investors concerned by the issue and the type of securities issued, it may be preferable, or even necessary, to cancel our shareholders' preferential subscription rights. This would provide our Board of Directors with the option of carrying out placements of securities under the **best conditions**, and obtain **a larger capital base**. Furthermore, the cancellation of the preferential subscription rights would increase the **speed** of the transactions, which is sometimes an **essential condition for their success.**

We will also submit a **resolution** for your approval **granting the Company the means to** involve our employees and officers in our success by allowing it to carry out a **capital increase reserved for employees who are members of company savings plans (resolution 31).**

The purpose of resolutions 22 to 31 is, in particular, to **renew the authorizations and delegations of authority or powers you granted to us in 2018 to carry out capital increases by issuing ordinary shares and/or of securities** governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, **giving access, by whatever means immediately and/or in the future**, at any time or on a fixed date, by subscription, conversion, exchange, reimbursement, presentation of a warrant or any other means, **to our Company's share capital.**

The ceilings for the authorizations and delegations that you granted to us in 2018 would remain unchanged.

Thus in terms of **resolution 22**, the **maximum nominal amount of capital increases** that may be carried out, immediately or in the future **pursuant to resolutions 22 to 31 may not exceed the overall ceiling of €30 million in nominal value.**

At June 12, 2019, this overall ceiling represents approximately 47.80% of our share capital.

Within this overall ceiling of €30 million, we propose to establish a **sub-ceiling set at €6 million in nominal value for the transactions involving a waiver of our shareholders' preferential subscription rights** (resolution 23).

At June 12, 2019, this sub-ceiling represents approximately 9.56% of our share capital.

This sub-ceiling would be common to resolutions 23 to 30, except for resolution 29 which would not be affected.

This would be deducted from the amount of the overall ceiling of €30 million.

To these ceilings of €30 million and €6 million would be added the nominal amount of capital increases in respect of the ordinary shares to be potentially issued as an addition as adjustments to take into account the impact of transactions in our Company's capital and made to preserve the rights of the holders of securities giving access to our Company's capital.

Moreover, **the maximum nominal amount of securities representing debt or related securities, giving access, immediately or in the future, to our Company's share capital that may be issued pursuant to resolutions 22 to 31 (except for resolution 29 which would not be affected) may not exceed the ceiling of €300 million.**

This amount shall be increased, where appropriate, **by any reimbursement premium over the par value.**

Moreover, this ceiling of €300 million shall be independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted for approval by our shareholders and debt securities that may be issued or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code.

Our Board of Directors may not, except by prior authorization from shareholders, make use of these delegations from the time of deposit by a third party of a public offer for our Company's securities, until the end of the offer period (except for resolution 31).

These delegations and authorizations **would be granted with the right to sub-delegate.**

They will each be valid for a period of 26 months as from the day of this Shareholders' General Meeting, with the exception of resolution 25 for which the period would be 18 months. They would respectively **cancel and supersede any authorization or delegation conferred by resolutions of the same type adopted on July 26, 2018.**

If our Board of Directors were to use the authorizations and/or delegations that are conferred to it by resolutions 22 to 31, it would prepare additional legal report(s), and report on their use to shareholders at our next Shareholders' General Meeting, in accordance with current law and applicable regulations.

We invite you to consult paragraph 8.3 of this Registration Document containing our Board of Directors' report on the resolutions submitted for your approval. This report provides **more detailed explanations** about each of the delegations and authorizations under resolutions 22 to 31.

A table summarizing them is shown in paragraph 8.2.3 below.

- RESOLUTIONS 22 TO 25: CAPITAL INCREASES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS -

Resolutions 22 to 25 aim to grant delegations of authority to our Board of Directors for the purpose of carrying out **capital increases through the issuance of any securities**, in the following contexts:

- with **shareholders' preferential subscription rights (resolution 22)**;
- without **shareholders' preferential subscription rights**, through a public offer **(resolution 23)**;
- without shareholders' preferential subscription rights as part of a private placement, through an offer referred to in Article L. 411-2II of the French Monetary and Financial Code (resolution 24);
- with the cancellation of our shareholders' preferential subscription rights **for the benefit of those categories of individuals meeting the following specific criteria: financial institutions or French or foreign investment funds focused on providing support in the medium term to growth companies in the technology sector (resolution 25).**

These delegations would each be valid for a term of 26 months starting on the day of your Shareholders' General meeting, except for that granted by resolution 25 which would have a term of 18 months;

Furthermore, they would each respectively have the effect of voiding the four delegations granted by resolutions 10 to 13 of the same type adopted on July 26, 2018.

Twenty-second resolution – Delegation of authority to be granted to the Board of Directors, for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, immediately or in the future, with preferential subscription rights

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.* and notably Articles L. 225-129, L. 225-129-2, L. 225-132 to L. 225-134 and L. 228-91 *et seq.* of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to issue, on one or more occasions, in such amount and at such times as it deems appropriate, in euros, in foreign currencies, or any accounting unit established by reference to a basket of currencies, in France and/or abroad, with preferential subscription rights, for consideration or for free, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up by cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **sets** at twenty-six (26) months as from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that this delegation has the effect of voiding all other delegations of authority granted by a resolution of the same nature;
3. **decides** to set the following limits on the issuance amounts authorized in the event that the Board of Directors decides to use this delegation of authority:
   a. the maximum nominal amount of capital increases that may be carried out, immediately or in the future, based on this delegation of authority may not exceed the ceiling of €30 million in nominal value or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that:
      (i) the aggregate nominal amount of the capital increases in respect of ordinary shares issued directly or indirectly on the basis of this resolution and the twenty-third, twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth, thirtieth and thirty-first resolutions, subject to their adoption by this Shareholders' General Meeting, and on the basis of the issuances authorized by the resolutions of the same nature that could succeed these resolutions during the term of this delegation, may not exceed the overall ceiling of €30 million in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, and
      (ii) to this ceiling will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,
   b. the maximum nominal amount of securities representing debt or related securities, giving access immediately or in the future, to the Company's share capital that may be issued pursuant to this delegation of authority may not exceed the ceiling of €300 million or the counter-value of this amount in any currency or accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be increased, where appropriate, by any reimbursement premium over the par value and decreased by the nominal amount of securities representing debt securities or related securities, giving access to the Company's share capital that may be issued on the basis of this resolution and the twenty-third, twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth, thirtieth and thirty-first resolutions, subject to their adoption by this Shareholders' General Meeting, and on the basis of issuances authorized by the resolutions of the same nature that may succeed these resolutions during the validity of this delegation. This ceiling is independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted to this Meeting and debt securities that may be issued or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
4. in the event that the present delegation of authority is used by the Board of Directors:
   - **decides** that the issuance(s) will be reserved in favor of Company shareholders who have the right to subscribe in direct proportion to the number of shares they hold,
   - **grants**, nevertheless, to the Board of Directors the power to grant shareholders the right to subscribe to ordinary shares or securities in excess of the minimum number to which they have preferential subscription rights proportionally to their subscription rights, and in any event, within the limit of their request,
   - **decides** that if the subscriptions as of right (*à titre irréductible*) and, where appropriate, excess subscriptions (*à titre réductible*) do not cover the entire amount of the issuance of ordinary shares or securities, as defined above, the Board of Directors may undertake, as provided by law, and in the order of its choosing, one and/or any of the following:
     - freely distribute all or part of the non-subscribed securities between the individuals of its choice;
     - offer to the public all or part of the non-subscribed securities, on the French market and/or internationally; and/or
     - in general, limit the capital increase to the amount of subscriptions, subject to the condition, in the event of the issuance of ordinary shares or securities whose main security is an ordinary share, that they reach at least three-quarters of the agreed issue after use of the two rights indicated above, where appropriate;
5. **decides** that the issuance of warrants giving access to the Company's ordinary shares may be made through a subscription offer, but also through allocating free shares to Company shareholders, on the understanding that the Board of Directors may decide that the resulting fractional shares shall not be negotiable and that the corresponding securities shall be sold in compliance with applicable legal and regulatory provisions;
6. **grants** to the Board of Directors all powers, with the right to sub-delegate in accordance with the conditions set by law, to carry out the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, and notably:
   - to determine the dates and the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities to be issued,
   - to determine the number of ordinary shares and/or other securities to be issued, the issue price and conditions attached thereto, if

applicable, the issue premium, the terms of their payment and their date of entitlement to dividends (where appropriate, retroactively),

- to set the terms and conditions under which the Company would have, where appropriate, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of canceling or not canceling them, depending on the legal provisions,
- in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and depreciation terms and conditions, amend, during the lifetime of the concerned securities, the modalities indicated above, in accordance with applicable formalities,
- to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new shares shall open rights to dividends, as well as all other conditions and arrangements for completing the capital increase,
- to suspend, where appropriate, the exercise of rights attached to these ordinary shares and/or securities to be issued under the conditions and limits provided by applicable legal provisions and regulations,
- at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
- to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other transactions on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any ordinary shares and/or securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

Twenty-third resolution – Delegation of authority to be granted to the Board of Directors, for the purpose of proceeding with a capital increase by way of the issuance of shares and/or securities giving access to the Company's share capital, immediately or in the future, without preferential subscription rights, through a public offer

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, notably Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 225-148 and L. 228-91 *et seq.* of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to issue, on one or more occasions, in such amount and at such times as it deems appropriate, in euros, in foreign currencies, or any accounting unit established by reference to a basket of currencies, in France and/or abroad, without preferential subscription rights, for consideration or for free, by way of a public offer, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up in cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **sets** at twenty-six (26) months as from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that this delegation has the effect of voiding all other delegations of authority granted by a resolution of the same nature;
3. **sets** the following limits on the issuance amounts in the event that the Board of Directors decides to use this delegation of authority:
    a. the maximum nominal amount of capital increases that may be carried out, immediately or in the future, based on this delegation of authority, may not exceed the ceiling of €6 million in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, on the understanding that:
        (i) this ceiling is common to this resolution, and to the twenty-fourth, twenty-fifth, twenty-sixth, twenty-seventh, twenty-eighth and thirtieth resolutions,
        (ii) this amount shall be deducted from the amount of the overall ceiling of €30 million in nominal value referred to in "3. a. (i)" of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the overall ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the term of this delegation,
        (iii) to these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,
    b. the maximum nominal amount of securities representing debt or related securities, giving access immediately or in the future, to the Company's share capital, that may be issued pursuant to this resolution may not exceed the ceiling of €300 million or the counter-value of this amount in any currency or accounting unit established by reference to a basket of currencies, on the understanding that this amount, increased where appropriate by any reimbursement premiums over the par value, shall be deducted from the amount of the overall ceiling of €300 million indicated in "3. b." of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted to this Shareholders' General Meeting and debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

4. **decides** that the issuances resulting from this delegation will be made by way of a public offer, on the understanding that this may be carried out in conjunction with an offer or offers arising under Article L. 411-2 II of the French Monetary and Financial Code, which may be performed on the basis of the twenty-fourth resolution of this Meeting;
5. **decides** to remove shareholders' preferential subscription rights to the ordinary shares and/or securities that may be issued based on this delegation;
6. **decides** that the Board of Directors may bestow a priority subscription period to shareholders, that does not give rise to the creation of negotiable rights, of a duration that it shall set in accordance with the law and regulatory provisions, for all or part of the issuance carried out under this resolution and in proportion to the number of shares held by each shareholder, in application of the legal and regulatory provisions, and may potentially grant excess subscription rights (*à titre réductible*), on the understanding that the unsubscribed securities may be subject to a public placement in France or abroad;
7. **decides** that if the subscriptions do not cover the entire amount of the issuance of ordinary shares or securities as defined above, the Board of Directors may use, as provided by law, and in the order of its choosing, one and/or any of the following powers:
   - limiting the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance,
   - freely distributing all or part of the non-subscribed securities between the individuals of its choice,
   - offering to the public all or part of the non-subscribed securities, on the French market and/or internationally;
8. **acknowledges and decides**, where necessary, that this delegation shall, to the benefit of holders of any securities giving access to the Company's ordinary shares that may be issued pursuant to this delegation, automatically result in the waiver of shareholder preferential subscription rights to the new ordinary shares to which these securities would give rise;
9. **decides** that (i) the issue price for ordinary shares to be issued pursuant to this resolution or those to which the securities to be issued under this resolution may give right, shall be at least equal to the minimum price permitted by legal and regulatory provisions applicable on the date of issue (to date, the weighted average of the last three trading days prior to the setting of this price less a discount of 5%), after, where appropriate, adjusting this average to take into account any difference between the maturity dates, and (ii) the issue price for the securities giving access to the share capital and the number of ordinary shares to which the conversion, reimbursement or more generally the transformation of each security giving access to the share capital may give the rights, shall be that of the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each share issued as a consequence of the issuance of these securities, at least equal to the minimum price defined in part (i) or this paragraph;
10. **grants** to the Board of Directors all powers, with the right to sub-delegate in accordance with the conditions set by law, to carry out the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, and notably:
    - to determine the dates and the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities to be issued,
    - to determine the number of ordinary shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issue premium, the terms of their payment and their date of entitlement to dividends (where, appropriate retroactively),
    - to set the terms and conditions under which the Company would have, where appropriate, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of canceling or not canceling them, depending on the legal provisions,
    - in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization modalities, amend, during the lifetime of the concerned securities, the modalities indicated above, in accordance with applicable formalities,
    - to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new ordinary shares shall be entitled to dividends, as well as all other conditions and modalities for completing the capital increase,
    - to suspend, where appropriate, the exercise of rights attached to these ordinary shares and/or securities to be issued under the conditions and limits provided by applicable legal provisions and regulations,
    - at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
    - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
    - generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any shares and/or securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

Twenty-fourth resolution – Delegation of authority to be granted to the Board of Directors in order to issue, by an offer set out at Article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, notably Articles L. 225-129-2, L. 225-135, and L. 225-136 and Articles L. 228-91 *et* *seq*. of the French Commercial Code and Article L. 411-2 II of the French Monetary and Financial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate, in accordance with the conditions set by law, its authority to issue, on one or more occasions, in such amount and at such times as it deems appropriate, in France and/or abroad, as part of offers indicated in Article L. 411-2 II of the French Monetary and Financial Code, in euros, in foreign currencies, or any accounting unit established by reference to a basket of currencies, for consideration or for free, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up in cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **decides** to remove shareholders' preferential subscription rights to the securities that can be issued on the grounds of this resolution;
3. **decides** that the maximum nominal amount of capital increases that may be performed, immediately or in the future, pursuant to this resolution, may not, within the limits set out by the applicable regulations on the day of issue (for information purposes, at the date of this Shareholders' General Meeting, the issue of equity securities through an offer indicated in Article L. 411-2 II of the French Monetary and Financial Code is limited to 20% of the Company's share capital per year), exceed the ceiling of €6 million, or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:
   - (i) from the amount of the shared ceiling of €6 million in nominal value referred to in "3. a. (i)" of the twenty-third resolution of this Shareholders' General Meeting, or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that in any event, issuances of securities made in this framework are limited according to the legal provisions in force on the day of issuance,
   - (ii) from the ceiling of €30 million in nominal value referred to in paragraph "3.a. (i)" of the twenty-second resolution or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation.

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital;
4. **decides** that the nominal amount of the securities representing debt or equivalent securities giving access immediately or in the future, to the Company's share capital, that may be issued pursuant to this delegation, may not exceed €300 million, or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount, increased where appropriate by any reimbursement premium over the par value, will be deducted from the overall ceiling of €300 million indicated in "3. b." of the twenty-second resolution or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted to this Meeting and the debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
5. **acknowledges** that if the subscriptions do not absorb the total issuance, the Board of Directors may limit the operation's amount to the amount of subscriptions received, provided that, in the event of the issue of ordinary shares or securities whose main security is an ordinary share, that they reach at least three-quarters of the agreed issue;
6. **decides** that (i) the issue price for the ordinary shares to be issued pursuant to this resolution or those which may give rights to securities to be issued under this resolution, shall be at least equal to the minimum price permitted by the legal and regulatory provisions applicable on the date of issue (to date, the weighted average of the last three trading days prior to the setting of the subscription price less 5%) after, where appropriate, adjusting this average to take account of a difference between maturity dates; and (ii) the issue price for the securities giving access to the share capital and the number of ordinary shares to which the conversion, reimbursement or generally the transformation of each security giving access to the share capital may give the rights, shall be such that the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each share issued as a consequence of the issuance of these securities, at least equal to the minimum price defined in (i) of this paragraph;
7. **grants** to the Board of Directors all powers, with the right to sub-delegate in accordance with the conditions set by law, to carry out the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, and notably:
   - to determine the dates and the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities to be issued,
   - to determine the number of ordinary shares and/or other securities to be issued, the issue price and conditions attached thereto, if applicable, the issue premium, the terms of their payment and their date of entitlement to dividends (where appropriate, retroactively),
   - to set the terms and conditions under which the Company would have, where appropriate, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of canceling or not canceling them, depending on the legal provisions,
   - in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization modalities, amend, during the lifetime of the concerned securities, the modalities indicated above, in accordance with applicable formalities,
   - to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new shares shall open rights to dividends, as well as all other conditions and modalities for completing the capital increase,
   - to suspend, where appropriate, the exercise of rights attached to these ordinary shares and/or securities to be issued under the conditions and limits provided by applicable legal provisions and regulations,
   - at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock

splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other modalities to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),

- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any shares and/or securities issued as a result of this delegation;

8. **sets** at twenty-six (26) months as from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that this delegation has the effect of voiding all other delegations of authority previously granted by a resolution of the same nature;

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

Twenty-fifth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, without preferential subscription rights for shareholders, for the benefit of persons meeting defined requirements

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129 *et seq.*, L. 228-91 to L. 228-93, and L. 225-135 to L. 225-138 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to carry out on one or more occasions, in such amount and at such times as it deems appropriate, in euros, or in foreign currency or any accounting unit established by reference to a basket of currencies, the issue, without preferential subscription rights, in France and/or abroad, for consideration or for free, ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by any means, immediately and/or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), on the understanding that these ordinary shares and/or securities may be paid-up in cash, or by offsetting against liquid and due receivables, or by capitalization of reserves, earnings or premiums;
2. **decides** to eliminate the preferential subscription rights of the shareholders to shares and/or securities giving access to Company equity to be issued and to reserve, as it pertains to this delegation, the right to subscribe these ordinary shares and/or securities to those persons meeting the following requirements: financial institutions or investment funds under French or foreign law aiming at supporting growth technology companies, in mid-term;
3. **delegates** the authority to define the precise list of beneficiaries of the elimination of preferential subscription rights to the Board of Directors as well as the authority to set the number of ordinary shares and/or securities that may be issued to each such entity;
4. **acknowledges and decides**, where necessary, that this delegation shall to the benefit of the beneficiaries appearing in the list agreed by the Board of Directors, automatically result in the waiver of shareholder of preferential subscription rights to the new ordinary shares to which the securities that would be issued by virtue of this resolution would give rise;
5. **sets** the following limits on the issuance amounts in the event that the Board of Directors decides to use this delegation of authority:
   a. the maximum nominal amount of capital increases that may be carried out, immediately or in the future, based on this delegation of authority, may not exceed the ceiling of €6 million in nominal value, or the counter-value of this amount in any other currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:
      (i) from the amount of the shared ceiling of €6 million in nominal value referred to in "3. a. (i)" of the twenty-third resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that in any event, issuances of securities made in this framework are also limited according to the legal provisions in force on the day of issuance,
      (ii) from the amount of the overall ceiling of €30 million in nominal value referred to in "3. a. (i)" of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the term of this delegation.

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,

   b. the maximum nominal amount of securities representing debt or related securities, giving access immediately or in the future to the Company's share capital that may be issued pursuant to this resolution may not exceed the ceiling of €300 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount, increased, where appropriate, by any reimbursement premium over the par value, shall be deducted from the amount of the overall ceiling of €300 million indicated in "3. b." of the twenty-second resolution of this Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted to this Meeting and debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
6. **decides** that (i) the issue price of the ordinary shares to be issued pursuant to this resolution or those to which the securities to be issued under this resolution may give right, shall be at least equal (x) to the latest closing price prior to the price setting with a maximum discount of 5% or (y) the average price of the share weighted by the trade volume during the trading day on which the issue price is set with a maximum discount of 5% and (ii) the issue price of securities giving access to the share capital shall be such that the sum immediately received by the Company, increased, where appropriate, by the sum likely to be collected subsequently by the Company, *i.e.* for each ordinary share issued as a consequence of the issuance of these securities, at least equal to the price defined in (i) of this paragraph;

7. **grants** to the Board of Directors all powers, with the right to sub-delegate in accordance with the conditions set by law, to carry out the aforementioned issuances in such a form as it deems appropriate and in compliance with applicable law, and notably:
   - to determine the list of beneficiaries in the indicated categories and the number of shares to be awarded to each one,
   - to determine the terms of issuance as well as the form and characteristics of the ordinary shares and/or securities that would grant access to Company equity, the terms under which the ordinary shares or securities would be allocated as well as the dates on which the allocation rights may be exercised,
   - in the event of the issuance of debt securities, to decide whether or not they should be subordinated (and, where appropriate, their rank of subordination, according to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rate, establish their duration (fixed or indeterminate), the possibility of reducing or increasing the nominal value of the securities and the other issuance and amortization modalities, amend, during the lifetime of the concerned securities, the modalities indicated above, in accordance with applicable formalities,
   - to set, if applicable, the way in which rights are to be exercised (where appropriate, the rights to conversion, exchange, reimbursement, including by contribution of Company assets, such as treasury shares or securities already issued by the Company) attached to the ordinary shares or securities giving access to the share capital, and notably, set the date, even retroactively, from which the new ordinary shares shall be entitled to dividends, as well as all other conditions and modalities for completing the capital increase,
   - to suspend, where appropriate, the exercise of rights attached to the shares and/or securities to be issued under the conditions and limits provided by applicable legal and regulatory provisions,
   - on its sole initiative, to deduct the costs of capital increases from the amount of related premiums and take from this amount the sums required to constitute the legal reserve,
   - to make whatever changes are needed to take into account transactions on the Company's share capital, conclude any agreement needed to properly carry out the planned issues, note the completion of capital increases, amend the bylaws accordingly, follow all necessary procedures, and in general do whatever is necessary;
8. **sets** the validity of this delegation at eighteen (18) months, from the date of this Meeting, on the understanding that it has the effect of voiding all other previously adopted delegations of authority of the same nature.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION 26: ABILITY TO INCREASE THE AMOUNT OF ISSUANCES IN THE EVENT OF EXCESS DEMAND -

Also known as the "Greenshoe", the purpose of resolution 26 is to grant a delegation to our Board of Directors providing it with the **ability to increase the initial amount of issuances in the event of excess demand** as part of the capital increases made with or without preferential subscription rights under resolutions 22 to 25.

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a **term of 26 months** starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of **voiding the delegation granted by resolution 14 of the same type adopted on July 26, 2018.**

Twenty-sixth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issuance

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholder's General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-135-1 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to decide to increase the number of ordinary shares to be issued, in the event of an issuance of shares or securities giving access to the Company's share capital with or without preferential subscription rights decided on the basis of the twenty-second, twenty-third, twenty-fourth and twenty-fifth resolutions of this Meeting, at the same price as the initial issuance and with the same time periods and limits as those provided by the applicable legal and regulatory provisions on the day of the issuance (to date, within thirty days of the subscription and limited to 15% of the initial issuance), subject to the ceiling(s) under which the issuance is decided, notably for the purpose of granting an over-subscription option in accordance with market practices;
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;
3. **decides** that the Board of Directors shall have all powers, with the right to sub-delegate, required to implement the present delegation of authority in accordance with the conditions set by law and the Company's bylaws.

- RESOLUTION 27: ABILITY TO SET THE ISSUE PRICE AS A DEROGATION TO THE ISSUE PRICE IN THE EVENT OF CAPITAL INCREASES WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS -

The purpose of resolution 27 is to grant an authorization to our Board of Directors providing the **ability, as part of issuances without preferential subscription rights through a public offering (resolution 23) or private placement (resolution 24), to agree to an exception to the price conditions stipulated by these resolutions.**

It could thus set the issue price of its choice as being equal:

- **to the last closing price preceding the setting of the price with a maximum discount of 5%; or**
- **to the average volume-weighted share price on the market, on the trading day on which the issue price is set, with a maximum discount of 5%.**

The authorization that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the authorization granted by resolution 15 of the same type adopted on July 26, 2018.

Twenty-seventh resolution – Authorization to be granted to the Board of Directors in the event of an issuance without preferential subscription rights of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issue price within the limit of 10% of the Company's share capital according to the terms and conditions approved by the Shareholders' General Meeting

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Article L. 225-136-1 of the French Commercial Code:

1. **authorizes** the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, in the event of an issuance, without preferential subscription rights, of ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, pursuant to the twenty-third and twenty-fourth resolutions submitted for approval to this Meeting, to waive the price conditions set out in these resolutions and to set the issue price according to the following modalities:
   a. the issue price for ordinary shares to be issued pursuant to this issuance shall, at the Board of Directors' discretion, be equal to (i) the latest closing price prior to the price setting with a maximum discount of 5% or (ii) the average trading price of the ordinary share, weighted by the trade volume during the trading day on which the issue price was set with a maximum discount of 5%,
   b. the issue price for the securities other than ordinary shares shall be that of the sums received immediately by the Company, plus, where appropriate, the sum likely to be collected subsequently by the Company, *i.e.* for each ordinary shares issued as a consequence of the issuance of these securities, at least equal to the amount determined by the Board of Directors in "1. a. " above;
2. **decides** that the maximum nominal amount of the increases in the Company's share capital carried out under the conditions provided by this resolution, immediately or in the future, pursuant to this resolution, may exceed neither 10% of the share capital per 12 month period (this percentage applies to a share capital adjusted according to the transactions that affect it after this Meeting), nor the ceilings set forth in the twenty-third and/or in the twenty-fourth resolutions on the basis of which the issues are carried out, on the understanding that at the date of each capital increase, the total number of ordinary shares issued pursuant to this resolution during the 12 month period prior to the said capital increase, including the shares issued pursuant to the said capital increase, may not exceed 10% of the shares comprising the Company's share capital at that date;
3. **acknowledges** that the Board of Directors shall draft an additional report, certified by the Statutory Auditors, describing the final terms of the transaction and providing criteria for assessing the actual impact on the shareholder's situation;
4. **sets** at twenty-six (26) months as from the day of this Shareholders' General Meeting the validity of this authorization, on the understanding that it has the effect of voiding all authorizations previously granted by a resolution of the same nature;
5. **decides** that the Board of Directors shall have all powers, with the right to sub-delegate, to implement this authorization in accordance with the conditions set by law.

- RESOLUTION 28: CAPITAL INCREASE TO COMPENSATE CONTRIBUTIONS OF SECURITIES GRANTED TO OUR COMPANY -

The purpose of resolution 28 is to grant a delegation to our Board of Directors to issue shares or securities giving access to our share capital, **up to a limit of 10% of the total, to provide compensation for contributions in kind of capital securities or marketable securities granted to our Company**.

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the delegation granted by resolution 16 of the same type adopted on July 26, 2018.

Twenty-eighth resolution – Delegation of powers to be granted to the Board of Directors for the purpose of proceeding with the increase of the Company's share capital in compensation for capital contributions in kind consisting of capital securities or securities giving access to the Company's share capital

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code and specifically Articles L. 225-129, L. 225-129-2, L. 225-147, and L. 228-91 *et seq.*:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law and the Company's bylaws, the powers required to proceed, upon the Contribution Auditors' report, with the increase in share capital, through the issue of ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access by all means, immediately and/or in the future, at any time or at a set date, by subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), for the purpose of remunerating contributions in kind granted to the Company and consisting of equity securities or securities giving access to the share capital, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable;

2. **decides** that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation of powers may not exceed the ceiling of €6 million, or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:

   (i) from the amount of the shared ceiling of €6 million referred to in "3. a. (i)" of the twenty-third resolution of this Shareholders' General Meeting, or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that, in any event, issuances of securities made in this framework are limited according to the legal provisions in force on the day of issuance, and

   (ii) from the ceiling of €30 million referred to in paragraph "3. a. (i)" of the twenty-second resolution or, where appropriate, from the amount of the ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation;

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital;

   In any event, the issuance of ordinary shares and securities giving access to the share capital pursuant to this delegation of powers shall not exceed 10% of the share capital, as it exists at the date of the Board of Directors' decision to implement the delegation;

3. **decides** that the maximum nominal amount of the securities representing debt or related securities, giving access immediately or in the future to the Company's share capital, that may be issued pursuant to this resolution, shall not exceed the ceiling of €300 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount may be increased, where appropriate, by any reimbursement premium over the par value and shall be deducted from the overall ceiling of €300 million indicated in "3. b." of the twenty-second resolution of this Shareholders' General Meeting, or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted to this Meeting and the debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

4. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that it has the effect of voiding all other delegations of powers granted previously by a resolution of the same nature;

5. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to decide the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:

   - to decide the issuance of ordinary shares and/or securities giving access, immediately or in the future to the Company's share capital, to remunerate contributions,
   - to establish the list of equity securities and securities giving access to the share capital that are contributed, approve the valuation of the contribution, set the conditions for the issue of ordinary shares and/or securities to remunerate the contribution, as well as, where appropriate, the amount of any cash portion to be paid, approve the grant of specific benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the specific benefits,
   - to determine the number, modalities and features of the ordinary shares and/or securities to be issued as consideration for the contributions, as well as their terms and conditions, and if applicable, the amount of the premium, make a decision on the valuation of the contribution and the grant of any specific benefits,
   - to set the terms and conditions under which the Company would have, if applicable, the right to purchase or exchange the securities giving access to the share capital on the stock market, at any time or during set periods, for the purpose of canceling or not canceling them, depending on the legal provisions;
   - to suspend, where appropriate, the exercise of rights attached to these securities for a maximum time period of three months under the conditions and the limits provided by laws and regulations,
   - at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
   - generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION 29: CAPITAL INCREASES BY CAPITALIZATION OF PREMIUMS, RESERVES, EARNINGS OR OTHER -

The purpose of resolution 29 is to grant a delegation to our Board of Directors to **increase the share capital by capitalizing premiums, reserves, profits or any other funds that may be capitalized,** up to a limit of €30 million.

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the delegation granted by resolution 17 of the same type adopted on July 26, 2018.

Twenty-ninth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits or any other funds that may be capitalized

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to the provisions of Articles L. 225-129, L. 225-129-2, and L. 225-130 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law and the Company's bylaws, its authority for the purpose of carrying out a share capital increase, on one or more occasions, in the proportion and at the times it deems appropriate, by the successive or simultaneous capitalization of premiums, reserves, earnings, or any other funds that may be capitalized, in the form of the issue of new ordinary shares or the increase in the nominal value of existing ordinary shares or the combination of the two modalities;
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;
3. **decides** that the maximum amount of capital increases that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed the overall amount that may be capitalized nor a ceiling of €30 million in nominal value or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted from the overall ceiling of €30 million indicated in "3. a. (i)" of the twenty-second resolution of this Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. To these ceilings will be added, where appropriate, the nominal amount of the ordinary shares to be issued to preserve, in accordance with legal and regulatory provisions, and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the share capital;
4. **decides** that, in case of an increase in capital in the form of distribution of free shares and in accordance with Article L. 225-130 of the French Commercial Code, the rights to fractional shares shall not be negotiable and the corresponding securities shall be sold, with the stipulation that the proceeds of the sale shall be allocated to the holders of these rights under statutory conditions;
5. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to decide the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
   - to determine the dates, terms and conditions and features of the issuance and notably set the amount and nature of the sums to be capitalized, set the number of new equity securities to be issued and/or the amount by which the nominal value of the existing equity securities shall be increased, set the date, even retroactively, from which the new equity securities shall open rights to dividends, or from which the increase in the nominal value of the existing equity securities shall take effect,
   - to decide, in the event of the allocation of free equity securities, that the resulting fractional shares shall not be negotiable and that the corresponding equity securities shall be sold in accordance with the modalities set by the Board of Directors, and that the shares that may be allocated pursuant to this delegation due to old ordinary shares benefiting from double voting rights shall benefit from this right from the date of their issuance,
   - to set any terms and conditions to guarantee, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by means of cash adjustment),
   - generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION 30: CAPITAL INCREASE AS PART OF A PUBLIC EXCHANGE OFFER INITIATED BY OUR COMPANY -

The purpose of resolution 30 is to grant a delegation to our Board of Directors to issue shares or securities giving access to our share **capital in the event of a public offer implemented by our Company for the securities of another listed company.**

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the delegation granted by resolution 18 of the same type adopted on July 26, 2018.

Thirtieth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to the Company's share capital to compensate securities contributed as part of a public exchange offer initiated by the Company

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L. 225-129, L. 225-148, and L. 228-91 of the French Commercial Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to decide, on one or more occasions, in the proportion and that the times that it deems appropriate, in euros, or in a foreign currency, or in any accounting unit established by reference to a basket of currencies, the issuance of ordinary shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access, immediately and/or in the future, at any time or at a set date, by subscription, conversion, exchange, reimbursement, presentation of a warrant or in any other manner, to the Company's share capital, against payment or free of charge, in consideration for securities that may be contributed as part of a public exchange offer initiated in France or abroad, according to local rules, by the Company on its securities or the securities of another company admitted to trading on one of the regulated markets indicated in Article L. 225-148 of the French Commercial Code (including all other transactions with the same impact as a public exchange offer initiated by the Company on its own securities or the securities of any other company admitted to trading on a regulated market under foreign law, or equivalent);
2. **sets** at twenty-six (26) months from the day of this Shareholders' General Meeting the validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;
3. **decides** that the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation of authority may not exceed a ceiling of €6 million or the counter-value of this amount in any currency or any accounting unit established by reference to a basket of currencies, on the understanding that this amount shall be deducted:
   (i) from the amount of the shared ceiling of €6 million referred to in "3. a. (i)" of the twenty-third resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation, on the understanding that these capital increases shall not be subject to the issuance price rules set out in the twenty-fourth resolution, and
   (ii) from the amount of the overall ceiling of €30 million indicated in "3. a. (i)" of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation;

   To these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital;
4. **decides** that the maximum nominal amount of the securities representing debt or related securities, giving access immediately or in the future to the Company's share capital, that may be issued pursuant to this resolution, shall not exceed the ceiling of €300 million or the counter-value of this amount in any other currency or monetary unit established in reference to several currencies, on the understanding that this amount may be increased, where appropriate, by any reimbursement premium over the par value, shall be deducted from the overall ceiling of €300 million indicated in "3. b." of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation. This ceiling is independent from the amount of debt securities that may be issued as a result of the use of the other resolutions submitted to this Shareholders' General Meeting and the debt securities that may be issued or authorized by the Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;
5. **acknowledges** that the shareholders of the Company will not be entitled to preferential subscription rights to subscribe to ordinary shares and/or securities that would be issued under this delegation, the latter being solely issued as consideration for shares contributed within the framework of a public exchange offer initiated by the Company;
6. **acknowledges** that the price of the ordinary shares and/or securities that would be issued pursuant to this resolution shall be set in accordance with the laws and regulations concerning public exchange offers;
7. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to carry out the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
   - to set the exchange parity as well as, where appropriate, the amount of cash portion to be paid,
   - to establish the list of securities that may be contributed to the exchange,
   - to determine the dates, methods, and other characteristics of the issuance,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the ordinary share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other terms and conditions to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
   - at its sole discretion, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one tenth of the new share capital after each increase,

- generally, to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities and to do what is necessary to ensure successful completion of the issuance or stay the implementation thereof, and notably record the completion of any capital increases resulting from any issuance conducted under this delegation, amend the bylaws accordingly, and request the listing of any securities issued as a result of this delegation.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION 31: CAPITAL INCREASES RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLANS -

The purpose of resolution 31 is to grant a delegation to our Board of Directors to increase our share capital and/or allocate treasury shares **for the benefit of members of a company savings plan in our Company or related companies, up to a maximum ceiling of €560,000 in nominal amount, with a maximum discount of 30% compared to the Reference Price** (as defined below), **which may go up to 40% under certain conditions.**

The delegation that would be granted to your Board of Directors pursuant to this resolution would have a term of 26 months starting from the date of your Shareholders' General Meeting. Furthermore, it would have the effect of voiding the delegation granted by resolution 19 of the same type adopted on July 26, 2018.

Thirty-first resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital through the issue of shares or securities giving access to the share capital reserved for members of savings plans with waiver of preferential subscription rights in their favor

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with the provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138, L. 225-138-1, L. 228-91, and L. 228-92 of the French Commercial Code, and Articles L. 3332-18 *et seq.* of the French Labor Code:

1. **delegates** to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, its authority to decide an increase in the share capital, on one or more occasions, in the proportion and at the times it deems appropriate, in euros, or foreign currencies, or any accounting unit established by reference to a basket of currencies, through the issue, without preferential subscription rights, for consideration or free of charge, in France and/or abroad, of a maximum amount of €560,000 in nominal, i.e. a maximum of 280,000 shares, of shares and/or securities governed by Articles L. 228-92 paragraph 1, L. 228-93 paragraphs 1 and 3 or L. 228-94 paragraph 2 of the French Commercial Code, giving access, by all means, immediately and/or in the future, at any time or at a set date, through subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner, to the Company's share capital (including equity securities giving the right to the allocation of debt securities), reserved for members of one or more company savings plans (or other membership plans for which Articles L. 3332-18 *et seq.* of the French Labor Code allow a capital increase to be reserved under equivalent conditions) that may be implemented within the Group comprising the Company and the French or foreign companies that enter into the Company's accounting scope of consolidation pursuant to Article L. 3344-1 of the French Labor Code; on the understanding that (i) the maximum nominal amount of capital increases that may be carried out immediately or in the future pursuant to this delegation shall be deducted from the amount of the overall ceiling of €30 million in nominal value indicated in "3. a. (i)" of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation (an amount to which will be added the nominal amount of the capital increases related to ordinary shares which may be issued to preserve, in accordance with the law and, where appropriate, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital) and (ii) the maximum nominal amount of the securities representing debt or related securities giving access, immediately or in the future, to the Company's share capital, that may be issued on the basis of this resolution, shall be increased, if where appropriate, by any reimbursement premium over the par value and shall be deducted from the overall ceiling of €300 million indicated in "3. b." of the twenty-second resolution of this Shareholders' General Meeting or, where appropriate, from the amount of any ceiling provided by a resolution of the same nature succeeding this resolution during the term of this delegation;
2. **sets** at twenty-six (26) months from the day of this Meeting the validity of this delegation, on the understanding that it has the effect of voiding all other delegations granted previously by a resolution of the same nature;
3. **decides** that the issue price of the new shares or securities giving access to the share capital shall be determined under the conditions stipulated in Articles L. 3332-18 *et seq.* of the French Labor Code and shall be equal to at least 70% (or, when the lock-up period provided by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code) is greater than or equal to ten years, to 60%, in accordance with Article L. 3332-21 of the French Labor Code of the average of the listed prices of the share on Euronext Paris during the 20 trading sessions prior to the decision setting the opening date for the subscription period to the capital increase reserved for members of a company savings plan (the "Reference Price"); however, the Shareholders' General Meeting expressly authorizes the Board of Directors, if it sees fit, to reduce or delete the aforementioned discount, under the legal and regulatory limits, to take into account, notably, locally applicable legal, accounting, tax and social regimes;
4. **authorizes** the Board of Directors to allocate, free of charge, to the beneficiaries listed herein above, in addition to the cash subscription for shares or securities giving access to share capital, shares or securities giving access to capital to be issued or already issued, as full or partial substitution for the discount as compared to the Reference Price and/or employer's contribution, it being acknowledged that the advantages arising out of this allotment may not exceed the legal or regulatory limits in application of Articles L. 3332-18 *et seq.* and L. 3332-11 *et seq.* of the French Labor Code;
5. **decides** to remove, for the benefit of the aforementioned beneficiaries, the preferential subscription rights of shareholders to shares and securities giving access to share capital, the issue of which is the subject of this delegation of powers, said shareholders waiving, in case of a free of charge allotment to the aforementioned beneficiaries of shares and securities giving access to share capital, all rights to said shares and securities giving access to share capital, including that part of the reserves, profits or share premiums incorporated into the share capital, to the extent of the free of charge allotment of said shares made on the basis of the present resolution;

6. **authorizes** the Board of Directors, under the conditions of this delegation, to carry out sales of shares to members of a company savings plan as provided by Article L. 3332-24 of the French Labor Code, on the understanding that the nominal amount of the shares sold at a discount for the benefit of members of one or more company savings plans indicated in this resolution shall be deducted from the amount of the ceilings indicated in paragraph 1 above;
7. **grants** to the Board of Directors, with the right to sub-delegate, all powers necessary to carry out the aforementioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
   - to establish in accordance with the law, the list of companies for which the members of one or more company savings plans may subscribe to the shares or securities giving access to the share capital that are thereby issued and benefit, where appropriate, from the shares and securities giving access to share capital allotted free of charge,
   - to decide that the subscriptions may be made directly by the beneficiaries, members of a company savings plan, or through a company mutual fund or other structures or entities permitted under applicable legal or regulatory provisions,
   - to determine the conditions, in particular seniority, that the beneficiaries of capital increases provided for in the present delegation must meet,
   - to set subscription opening and closing dates,
   - to set the amount of the capital increases that will be completed by virtue of the present delegation of powers and in particular, to set the issue price, dates, periods, procedures and conditions of subscription, payment, delivery and enjoyment of shares (even retroactive), reduction rules to be applied in case of over subscription, and all other terms and conditions for the issue, within the applicable legal and regulatory limits,
   - to determine and carry out all adjustments to take into account the impact of the transactions on the Company's capital or equity, notably in the event of modifications to the share's par value, capital increases by capitalization of reserves, earnings or premiums, the allocation of free shares, stock splits or reverse stock splits, distribution of dividends, reserves or premiums or all other assets, capital amortization, or all other operations on the capital or equity (including in the event of a public offer and/or change of control), and to set all other modalities to ensure, where appropriate, the preservation of the rights of holders of securities giving access to the share capital or other rights giving access to the share capital (including by way of cash adjustments),
   - in case of an allocation free of charge of shares or securities giving access to share capital, to determine the nature, the characteristics and the number of shares or securities giving access to share capital to be issued, the number to be allotted to each beneficiary, and to determine the dates, periods, terms and conditions for the allotment of these shares or securities giving access to share capital, within the applicable legal and regulatory limits and, in particular, to choose either to fully or partially substitute the allotment of these shares or securities giving access to share capital for a discount to the Reference Price provided for herein, or to charge the equivalent value of these shares against the total amount of the employer's contribution, or to combine these two options,
   - in the event of an issue of new shares being allocated free of charge, where appropriate, to charge the sums necessary to pay up said shares against reserves, profits or share premiums,
   - to acknowledge the completion of capital increases with the number of shares subscribed (after reductions in the event of over subscription),
   - where appropriate, to charge the costs of the capital increase against the amount of related premiums, and take from this amount the sums necessary to bring the legal reserves to one-tenth of the new share capital resulting from these share capital increases,
   - to enter into any agreements, to carry out all transactions directly or indirectly through an agent, including completing all necessary formalities further to the capital increases and the corresponding amendments to the bylaws, and, generally, to enter into any agreement, in particular to ensure the successful conclusion of the planned issues, to take all measures and decisions, and to carry out all formalities appropriate for the issue, admission to trading and financial servicing of the shares issued by virtue of the present delegation, as well as the exercise of the rights attaching thereto or resulting from the completed capital increases.

- RESOLUTION 32 : RENEWAL OF THE EXISTING AUTHORIZATION TO GRANT FREE SHARES -

During the Ordinary and Extraordinary Shareholders' General Meeting on March 23, 2018, our Board of Directors received the authorization, for a period of 24 months, to **implement free share allocation plans for the benefit of members of our workforce and our corporate officers, up to a limit of 5% of our share capital** as noted on the day of the allocation decision (of which 20% for corporate officers).

Resolution 32 aims to replace this authorization granted on March 23, 2018 by an authorization of the same type, and for a period of 38 months from the date of your Shareholders' General Meeting.

Thirty-second resolution - Authorization to be granted to the Board of Directors to proceed with the allocation of free shares

The Shareholders' General Meeting, under the conditions of quorum and majority required for Extraordinary Shareholders' General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report:

1. **authorizes** the Board of Directors, pursuant to Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to proceed, on one or more occasions, with the allocation of new or existing free ordinary shares of the Company, in favor of the beneficiaries or categories of beneficiaries it shall designate among (i) the Company's employees, as well as among the employees of related companies within the meaning of Article L. 225-197-2 of the French Commercial Code, and (ii) the corporate officers of the Company or the corporate officers of associated companies meeting the conditions of Article L. 225-197-1, II of the said Code, in the conditions set out below;
2. **decides** that the total number of ordinary shares that may be allocated free of charge pursuant to this authorization may not exceed 5% of the share capital as determined on the day of the Board of Directors' allocation decision, on the understanding that (i) this ceiling is set independently from the ceilings set from the twenty-second to the thirty-first resolutions of this Shareholders' General Meeting and (ii) the allocation of free ordinary shares to corporate officers may not exceed 20% of the free shares allocated pursuant to this authorization;
3. **decides** that the allocation of the Company's ordinary shares to their beneficiaries shall be definitive after the expiry of a vesting period of which the duration will be set by the Board of Directors, on the understanding that the minimum duration shall be that set by the legal provisions applicable on the day of the allocation decision;
4. **decides** that the Board of Directors may set a condition of the presence of the beneficiaries in the Group;

5. **decides** that the Board of Directors may also impose an obligation of retention of Company shares by the beneficiaries with a duration not less than that required by the legal provisions applicable on the day of the allocation decision; however, this retention obligation may be removed by the Board of Directors for the free shares whose the vesting period has been set as a minimum of two years;
6. **decides** that the definitive award of the shares to Company corporate officers shall be linked to the achievement of performance conditions which the Board of Directors will determine;
7. **acknowledges** that, in the event that a beneficiary is classified as having a disability in the second or third category referred to in Article L. 341-4 of the French Social Security Code, the free ordinary shares shall vest immediately, and that in the event the beneficiary dies, their heirs will be allowed to require immediate vesting within six months following their death;
8. **decides** that existing ordinary shares that may be granted under this resolution shall be acquired by the Company, either within the framework of the provisions of Article L. 225-208 of the French Commercial Code or, where appropriate, within the framework of a share repurchase program in line with the provisions of Article L. 225-209 of the French Commercial Code;
9. **acknowledges** that, in the case of the allocation of free new ordinary shares, the present authorization entails, for each time the free ordinary shares will be vested, the waiver by shareholders of their preferential subscription rights in favor of the beneficiaries of such free new ordinary shares. The corresponding share capital increase(s) may be carried out by incorporation of reserves, profits or share issue premiums, in favor of the beneficiaries of such free new shares;
10. **grants** within the limits set out above, to the Board of Directors, with the right to sub-delegate in accordance with the conditions set by law, all powers necessary to implement this authorization and notably in order to:
    - determine whether the free ordinary shares to be issued are existing or new ordinary shares,
    - determine the number of ordinary shares granted to each beneficiary that it will have chosen,
    - set the conditions and, as the case may be, the criteria to grant the ordinary shares, notably the minimum vesting period and, where appropriate, the duration of the holding period,
    - increase, where appropriate, the capital through the capitalization of reserves, earnings, or issue premiums, to proceed with the issuance of new ordinary shares allocated free of charge,
    - grant ordinary shares to the people referred to in the first paragraph of item II of Article L. 225-197-1 of the French Commercial Code subject to the conditions set out in Article L. 225-197-6 of the French Commercial Code. For such ordinary shares, the Board of Directors (i) shall decide that the ordinary shares granted free of charge cannot be sold by the beneficiaries before the end of their employment with the Company, or (ii) shall determine the minimum number of free ordinary shares that the beneficiaries must hold as registered shares until the end of their employment with the Company,
    - schedule, where appropriate, the right to delay the definitive allocation dates of ordinary shares and, for the same period, the end of the holding period of such ordinary shares (such that the minimum holding period remains unchanged),
    - adjust, where appropriate, the number of free ordinary shares that shall be allocated in order to maintain the beneficiaries' rights, depending on potential transactions involving the Company's share capital or equity under the circumstances provided in Articles L. 225-181 and L. 228-99 of the French Commercial Code. It is specified that ordinary shares granted within the framework of these adjustments shall be considered as having been granted on the same day as those initially granted,
    - determine the dates and terms and conditions for allocating the free shares, and generally do what is appropriate and execute all agreements to successfully proceed with the contemplated allocations.

    The Board of Directors will be allowed to implement any other new legal provisions that will come into force during the validity of this resolution and whose implementation would not require the express decision of the Shareholders' General Meeting; and
11. **sets** at thirty-eight (38) months as from the day of this Shareholders' General Meeting the validity of this authorization, on the understanding that this delegation has the effect of voiding all other authorizations previously granted by a resolution of the same nature.

- RESOLUTIONS 33 TO 35: IMPLEMENTATION OF A CO-INVESTMENT PROGRAM WITH ALLOCATION OF FREE PREFERRED SHARES (PS 2) AND RESERVED ISSUE OF PS 2 -

In order to allow the implementation of a co-investment program unanimously authorized by the Board of Directors on June 12, 2019, through the allocation of free preferred shares (PS 2) and reserved issue of PS 2, we propose you:

- to authorize, by the adoption of resolution 33, the creation of a new category of preferred shares convertible into ordinary shares (PS 2) depending on the achievement of targets based on EBITDA, revenues and Total Shareholder Return (TSR) performance of the ordinary share of our Company, compared to the evolution of the Euro Stoxx 600 Technology index. The capital increase resulting from the conversion of the PS 2 into ordinary shares at the end of the plan would be capped to a number of ordinary shares that should not exceed 3.75% of the share capital of our Company as of the date of your Shareholders' General Meeting of July 26, 2019, increased by the ordinary shares resulting from (i) the on-going free shares allocation plans as of this date, (ii) the conversion of the preferred shares resulting from the free preferred shares allocation plan date July 26, 2016 (the "PS 1") and (iii) the conversion of the PS 2;
- to authorize our Board of Directors, by the adoption of resolution 34, to grant PS 2 for free to employees and/or executive corporate officers of our Company and/or of companies or groups that are linked to it. The final vesting would occur under presence condition at the end of three vesting periods of respectively 1-year, 2-year and 3-year durations.
- to grant our Board of Directors, by the adoption of the resolution 35, with a delegation of authority to increase our share capital by issue of PS 2, without the preferential subscription rights of our shareholders and reserved to employees and/or executive corporate officers of our Company or of companies or groups that are linked to it.

Thirty-third resolution - Creation of a new class of preferred shares convertible into ordinary shares and corresponding amendment of the bylaws

The Shareholders' General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary General Meetings, having considered the Board of Directors' report and the statutory auditors' special report on special benefits, subject to adopting the the thirty-fourth and thirty-fifth resolution,

1. **decides** to add to the Company's bylaws a new class of preferred shares, in accordance with the provisions of Articles L. 228-11 *et seq.* of the French Commercial Code, whose features, special rights and terms of conversion to ordinary shares are set out in the draft new bylaws in accordance with that described below ("**PS 2**"):

i. PS 2 will not be listed on the Euronext Paris exchange,

ii. PS 2 will have the same par value as the Company's ordinary shares, *i.e.* two (2) euros,

iii. other than those exceptions defined in the event of death or the occurrence of a Complex Major Acquisition or a Substantial Investment, the PS 2 cannot be transferred before the earliest of the following three dates (i) the Conversion Date (as defined below), (ii) the Repurchase Date (as defined below), and (iii) July 26, 2029,

iv. PS 2 will either be (i) converted to ordinary shares at a conversion ratio determined under the terms set out below if the performance conditions are achieved, (ii) bought back by the Company at their par value to be cancelled if the performance conditions are not achieved,

v. each PS 2 will carry one voting right at Shareholders' General Meetings,

vi. holders of PS 2 will constitute a Shareholders' Special Meeting under the conditions provided for by Article L. 225-99 of the French Commercial Code and the special rights granted to them will be upheld in accordance with the law,

vii. PS 2 will bear dividends and the same right to the liquidation payout as ordinary shares and will carry preferential subscription rights in the event of a capital increase or any transaction with preferential subscription rights to new ordinary shares in the Company. The right to dividends and to the liquidation bonus attached to the PS 2 and identical to that attached to ordinary shares will expire on the earlier of the following dates: (i) the Conversion Date or (ii) the Repurchase Date,

viii. All PS 2 issued or to be issued at the Conversion Date (as defined below) will be converted to a variable number of ordinary shares subject to achieving targets based on EBITDA, revenue and Soitec shareholder return (Total shareholder return or "**TSR**") criteria as detailed below. If the performance targets are met, the total number of ordinary shares resulting from the conversion of PS 2 cannot in any case exceed the number of ordinary shares (the "Max OS") determined as follows:

Max OS = 3.75% x OS Capital

with:

"OS Capital" means all of the ordinary shares which make up the share capital of the Company as of the date of the Shareholders' General Meeting of July 26, 2019, plus the ordinary shares created as a result of (i) free share allocation plans applicable as of the date of the Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1, and (iii) the conversion of the PS 2, with it being stipulated that this ceiling has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2;

2. **decides** that the maximum number of PS 2 that can be issued shall be calculated by the Board of Directors and be equal to the total value of the PS 2 as calculated by an independent appraiser, divided by the unit price per PS 2 (the "Max PS 2") and cannot in any case be greater than 600,000, it being stipulated that this ceiling has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

3. **decides** that, except for instances of early conversion as provided for in paragraphs 8 and 10, the date on which PS 2 will be converted into new or existing ordinary shares (the "**Conversion Date**") will be set by the Board of Directors. The Conversion Date cannot in any case occur later than the one hundred eightieth (180th) calendar day after the date of approval by the Shareholders' General Meeting of the Group's consolidated financial statements for the year ending March 31, 2022;

4. authorizes the Board of Directors to temporarily suspend conversion rights;

5. decides that conversion ratio used to calculate the number of ordinary shares resulting from the conversion of existing PS 2 at the Conversion Date will be determined by the Board of Directors and based on three targets as follows:

i. *Rate of achievement of the EBITDA target*

The rate of achievement of the EBITDA target is determined based on the level of the Group's consolidated EBITDA taken from its consolidated financial statements for the year ending March 31, 2022 ("**2022 EBITDA**"), as follows:

(i) the rate of achievement of the EBITDA target will be zero percent (0%) if EBITDA 2022 is strictly less than two hundred and five million euros (€205,000,000),

(ii) the rate of achievement of the EBITDA target will be fifty percent (50%) if EBITDA 2022 is strictly equal to two hundred and five million euros (€205,000,000),

(iii) the rate of achievement of the EBITDA target will be one hundred percent (100%) if EBITDA 2022 is strictly equal or greater than three hundred and ten million euros (€310,000,000),

it being specified that (a) the rate of achievement of the EBITDA target will be determined *via* linear interpolation if EBITDA 2022 falls between the levels indicated above, that (b) the achievement of the targets described in this (i) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one dollar and thirteen cents (USD 1.13), and (c) that in the event of any change in IFRS standards having an impact (negative or positive) on the achievement of the targets set out in this section (i), the Board of Directors shall take all measures necessary in order to neutralize this impact.

ii. *Rate of achievement of the revenue target*

The rate of achievement of the revenue target is determined based on the level of the Group's consolidated revenues taken from its consolidated financial statements the year ending March 31, 2022 ("**2022 Revenue**"), as follows:

(i) the rate of achievement of the revenue target will be zero percent (0%) if Revenue 2022 is strictly less than seven hundred and one million U.S. dollars (USD771,000,000),

(ii) the rate of achievement of the revenue target will be fifty percent (50%) if Revenue 2022 is strictly equal to one billion one hundred and twenty-nine million U.S. dollars ($1,129,000,000),

(iii) the rate of achievement of the revenue target will be one hundred percent (100%) if Revenue 2022 is strictly equal or greater than one billion, one hundred twenty-nine billion dollars (USD129,000,000),

it being specified that (a) the rate of achievement of the revenue target will be determined *via* linear interpolation if Revenue 2022 falls between the levels indicated above, that (b) the achievement of the targets described in this (i) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one dollar and thirteen cents (USD 1.13), and (c) that in the event of any change in IFRS standards having an impact (negative or positive) on the achievement of the targets set out in this section (i), the Board of Directors shall take all measures necessary in order to neutralize this impact.

iii. *Rate of achievement of the targeted return on the Company's ordinary shares ("**TSR**")*

The rate of achievement of the TSR target will based on the respective TSR of the Company's ordinary shares and the Euro Stoxx 600 Technology index between July 26, 2019 and the date of publication of the Group's consolidated financial statements for the year ending March 31, 2022, as follows:

(i) the rate of achievement of the TSR target will be zero percent (0%) if the TSR of the Company's ordinary shares is strictly less than eighty percent (80%) of the Euro Stoxx 600 Technology index performance,

(ii) the rate of achievement of the TSR target will be one hundred percent (100%) if the TSR of the Company's ordinary shares is strictly greater than or equal to one hundred and twenty percent (120%) of the Euro Stoxx 600 Technology index performance.

it being specified that the TSR score will be determined *via* linear interpolation if the TSR of the Company's ordinary shares falls between the levels indicated above.

The TSR of the Company's ordinary shares will be determined as follows:

$$\frac{\text{Final Reference Price + Dividends - Initial Reference Price}}{\text{Initial Reference Price}}$$

where:

- the Initial Reference Price is the average of the last twenty (20) closing prices of the the Company's ordinary shares before the Shareholders' General Meeting on July 26, 2019,
- Dividends are equal to the dividends paid during the period in question, and
- the Final Reference Price is the average of the last twenty (20) closing prices of Soitec's ordinary shares before publication of the Group's consolidated financial statements for the year ending on March 31, 2022 [2].

If the Euro Stoxx 600 Technology index no longer exists, the Board of Directors may decide or delegate the decision to replace it with any substitute index that, in the Board's opinion, would be suitable for assessing TSR performance;

6. **decides** that the conversion ratio, stated as the total number of ordinary shares in the Company created from the conversion of all PS 2 issued or to be issued (the "Conversion Ratio") shall be calculated using the following formula:

Conversion Ratio = Max Ordinary Shares x Actual PS x Max PS 2 x Rate of Achievement)

where:

- "Max OS" is defined above,
- "Max PS 2" is as defined above;
- "Actual PS 2" means the maximum number of PS 2 issued and to be issued as of the Date of Conversion;
- "Rate of Achievement" means the global rate of achievement of those targets described in (i), (ii) and (iii) above and calculated using the following formula:

Rate of Achievement = 1/3 x (EBITDA Rate + Revenue Rate + TSR Rate)

- "EBITDA Rate" is the rate of achievement of the EBITDA calculated in accordance with the detailed methods set out in (i) above, it being stipulated that (x) in the event of the achievement of a theoretical Revenue Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of an EBITDA Rate of between 80% and 100%, the EBITDA Rate shall then be increased by that part of the theoretical Revenue Rate percentage falling between 100% and 110% without this leading to an EBITDA Rate in excess of 100%,
- "Revenue Rate" is the rate of achievement of the revenue calculated in accordance with the detailed methods set out in (ii) above, it being stipulated that (x) in the event of the achievement of a theoretical EBITDA Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of a Revenue Rate of between 80% and 100%, the Revenue Rate shall then be increased by that part of the theoretical EBITDA Rate percentage falling between 100% and 110% without this leading to a Revenue Rate in excess of 100%.
- TSR Rate is the rate of achievement of the TSR target determined using the methods set out in (iii) above;

7. **decides** that (i) the number of ordinary shares resulting from the conversion must be determined for each PS 2 holder by applying the Conversion Ratio to the number of PS 2 held by each holder at the Conversion Date divided by the number of PS 2 at that date, and that (ii) when the total number of ordinary shares due to a holder of PS 2 by applying the Conversion Ratio to the number of PS 2 held is not a whole number, the holder should receive the number of ordinary shares rounded down to the nearest whole number. All ordinary shares resulting from the conversion of PS 2 will be the same as outstanding ordinary shares at the Conversion Date and will bear dividends with immediate effect;

8. **decides** as an exception in the event of the death of a holder of PS 2 prior to the Conversion Date, the PS 2 held by the deceased may, at the request of the heir(s) or other beneficiaries of the deceased, and within a maximum of six (6) months following the death, be converted in advance (the "Date of Early Conversion") into a number of ordinary shares in the Company calculated by applying the Conversion Ratio indicated in paragraph 7 to the number of PS 2 held by the deceased on the Date of Early Conversion over the number of Actual PS 2 on the Date of Early Conversion, considering however that:

- the Rate of Achievement is equal to 1; and that
- the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Date of Early Conversion (considering in particular any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 as being met).

9. **decides** that the Company's Board of Directors may, in the event of the occurrence of a Simple External Growth Transaction, of the divestment of an investment or of any exceptional capital expenditure (CAPEX) greater than or less than that stipulated in the business plan, proceed with adjustments to the performance targets as follows:

   i. revenue and EBITDA levels in the Group's consolidated financial statements for the fiscal year ending on March 31, 2022, will be restated in order to neutralize the impact of these transactions;

   ii. TSR targets will remain unchanged;

   where "**Simple External Growth Transaction**" means any acquisition transaction not classified as a Complex Major External Growth Transaction;

10. **decides**, in the event of a Complex Major External Growth Transaction or Substantial Equity Investment, that:

   a) the Conversion Ratio will be determined at the completion date of the Complex Major External Growth Transaction or Substantial Equity Investment, mutatis mutandis, it being specified that the Revenue Rate and the EBITDA Rate will be (i) determined on the basis of the most recent available consolidated financial statements on the date of the Complex Major External Growth Transaction or Substantial Equity Investment and (ii) measured on the basis of the targets:

   - of EBITDA and of revenue calculated as of the date of these most recent financial statements, prorata temporis and via linear interpolation between (i) the level of Group consolidated EBITDA or revenue (as applicable) as shown in the Group's consolidated financial statements for the fiscal year ending on March 31, 2019, and (ii), firstly, (x) the target 2022 EBITDA and 2022 Revenue enabling the achievement of an EBITDA Rate and a Revenue Rate, as applicable, of 50% and, secondly, (y) the 2022 EBITDA and 2022 Revenue targets enabling the achievement of an EBITDA Rate and a Revenue Rate, as applicable, of 100%;
   - the target TSR rate (i) will be assessed on the date of the Complex Major External Growth Transaction or Substantial Equity Investment, as the case may be, and (ii) with either the exchange ratio approved as part of a Complex Major External Growth Transaction or the price offered by a third party as part of a Substantial Equity Investment serving as the Final Reference Price;

- the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Conversion Date defined in paragraph b) below (considering in particular any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 as being met).

  where

- "**Complex Major External Growth Transaction**" means any acquisition completed via merger by absorption;
- "Substantial Equity investment" means any public takeover or exchange bid launched with regard to the Company's shares, further (i) to the transfer by one or several Strategic Investor(s) of their ordinary shares in the Company to the initiator of the bid or to whom this Strategic Investor(s) may have contributed their ordinary shares in the Company or (ii) to the acquisition of an investment resulting in the initiator of the bid crossing the threshold of 30% of the share capital or voting rights of the Company;
- "Strategic Investor" means Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l, taken individually.

b) the PS 2 may be converted as an exception to paragraph 3) as follows:

- if the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment is prior to the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within six (6) months following the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date stipulated in paragraph 3,
- if the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment is between the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending March 31, 2021 and the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending March 31, 2022, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within two (2) months following the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as applicable, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date stipulated in paragraph 3;

11. decides the Board of Directors of the Company may where applicable adjust the Coversion Ratio of PS 2 to ordinary shares in order to preserve the rights of beneficiaries based on any transactions affecting the Company's share capital, particularly in the case of a change in the par value of ordinary shares capital increases through the incorporation of reserves by increasing the number of ordinary shares incorporating reserves, earnings, premiums or other amounts that may be incorporated into the share capital by raising the par value of ordinary shares allocating free ordinary shares to all shareholders issuing new securities giving access to the Company's share capital with preferential subscription rights for shareholders stock splits or reverse stock splits distributing reserves, share premiums or any other assets returning the share capital to shareholders reappropriating earnings reducing the share capital on account of losses by reducing the number of ordinary shares or any other share capital transaction (including a public offering and/or in the case of a change of control);
12. decides that PS 2 outstanding at the Conversion Date may be converted to new or existing ordinary shares held under the share buyback program, and notes that the conversion of PS 2 to new ordinary shares entails the waiver by shareholders of their preferential subscription rights to new ordinary shares resulting from the conversion. In any event, PS 2 cannot be converted to ordinary shares between the notice of the Shareholders' General Meeting in the so-called *Bulletin Officiel des Annonces Légales Obligatoires* (French official legal gazette) and the date on which the meeting convenes. If this were the case, the Conversion Date would be postponed to the end of Shareholders' General Meeting;
13. decides that in the event the performance targets are not met, such that the conversion of PS 2 *via* application of the Conversion Ratio would give right to no ordinary shares, , the PS 2 may be redeemed by the Company and on its own initiative at the latest on the one hundred and eightieth (180th) calendar day after the publication of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 (the "**Repurchase Date**"), at their par value pursuant to Article L. 228-12 III of the French Commercial Code;
14. decides that the PS 2 thus repurchased will be cancelled and the share capital reduced accordingly pursuant to Articles L. 225-205 and 228-12-1 of the French Commercial Code within sixty (60) calendar days their Repurchase Date;
15. decides that the Board of Directors should acknowledge, where necessary, the number of new ordinary shares resulting from the conversion of PS 2 at the Conversion Date and amend the bylaws accordingly;
16. decides, as a consequence of creating a new class of PS 2 and its features described above, the Company's bylaws as follows, subject to the 34th and 35th resolutions being adopted:

- by replacing the term "preference share" with the term "PS 1"; then
- by amending Articles 4 (share capital), 9 (assignment of shares), 10 (rights and obligations attached to the shares), and 25 (special shareholders' general meetings) as follows:
- Article 4 "Share capital" is amended as follows:

  "The share capital is set at sixty-two million seven hundred sixty-two thousand and seventy euros and fifty euro cents (€62,762,070.50). It is made up of:

  i. *thirty-one million three hundred sixty-seven thousand five hundred and sixty-seven (31,367,567) ordinary shares at a par value of two euros (€2.00), fully subscribed and paid up,*
  ii. *two hundred sixty-nine thousand three hundred and sixty-five (269,365) class 1 preferred shares at a par value of ten cents of Euro (€0.10), fully subscribed and paid up ("PS 1"),*

  The Shareholders' General Meeting of July 26, 2019 also decided to create a new class of preferred shares (PS 2) to be issued."

- Article 9 ("Assignment of shares") is amended as follows:

  "Ordinary shares are transferred via a simple account-to-account wire transfer, in accordance with the terms and conditions pursuant to the applicable legal and regulatory provisions.

  PS 1 cannot be assigned.

  The PS 2 cannot be transferred before the earliest of the three following dates: (i) the Conversion Date, (ii) the Repurchase Date and (iii) July 26, 2029, unless converted early in the case of death or a Complex Major External Growth Transaction or a Substantial Equity Investment."

- Article 10 "Rights and obligations attached to shares" has been changed as follows:
  - a new sub-paragraph 10.3.1 has been inserted directly under "10.3 Rights attached to PS 1" entitled "10.3.1 General provisions applicable to PS 1",
  - section heading "10.4 Conversion of free PS 1 (provided that the conversion conditions are fulfilled)" becomes "10.3.2 Conversion of free PS 1 (provided that the conversion conditions are fulfilled)",
  - section heading "10.5 Repurchase of free PS 1 (provided that the conversion conditions are fulfilled)" becomes "10.3.3 Repurchase of free PS 1 (provided that the conversion conditions are fulfilled)",

- New Article 10.4 insertion:

"Article 10.4: Rights attached to PS 2":

- *10.4.1 General provisions applicable to PS 2*

The PS 2 and the rights of their holders are governed by the applicable provisions of the French Commercial Code, in particular, Articles L. 228-11 et seq.

The PS 2 grant the holder a voting right identical to that of an ordinary share at General Meetings.

PS 2 bear dividends and the same right to the liquidation payout as ordinary shares, and carry preferential subscription rights in the event of a capital increase or any transaction with preferential subscription rights to new ordinary shares in the Company;

Dividend and liquidation bonus rights attached to the PS 2 and identical to that of ordinary shares shall be extended to the earlier of the following two dates: (i) the Conversion Date or (ii) the Repurchase Date.

- *10.4.2 Conversion of PS 2*

All PS 2 issued or to be issued at the Conversion Date (as defined below) may be converted into a variable number of ordinary shares in the Company, depending on the achievement of targets based on the EBITDA, Revenue and Total Shareholder Return (TSR) criteria as detailed below; the total number of ordinary shares resulting from the PS 2 conversion, provided that the performance targets have been achieved, cannot under any circumstances be higher than a number of ordinary shares calculated as follows (the "Max OS"):

$$\text{Max OS} = 3.75\% \times \text{OS Capital}$$

where:

"OS Capital" means all of the ordinary shares that make up the share capital of the Company as of the date of the Shareholders' General Meeting of July 26, 2019, plus the ordinary shares created as a result of (i) free share allocation plans applicable as of the date of the Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1, and (iii) the conversion of the PS 2, with it being stipulated that this ceiling has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

The maximum number of PS 2 that can be issued shall be calculated by the Board of Directors and be equal to the total value of the PS 2 as calculated by an independent appraiser, divided by the unit price per PS 2 (the "Max PS 2") and cannot in any case be greater than 600,000, it being stipulated that this cap has been set without taking into account any legal, regulatory, or contractual adjustments necessary for the protection of the rights of beneficiaries of PS 2.

Subject to the early conversions provided for in this article, the date of the PS 2 conversion into new or existing ordinary shares in the Company (the "Conversion Date") shall be set by the Board of Directors; the Conversion Date must be no later than the one hundred and eightieth (180th) calendar day following the Shareholders' General Meeting's approval of the Group consolidated financial statements for the fiscal year ending on March 31, 2022.

The Board of Directors is authorized to temporarily suspend conversion rights.

The conversion ratio used to calculate the number of ordinary shares resulting from the conversion of existing PS 2 at the Conversion Date will be determined by the Board of Directors and based on three targets as follows:

i. *Rate of achievement of the EBITDA target*

The rate of achievement of the EBITDA target is determined based on the Group's consolidated EBITDA presented in the consolidated financial statements for the financial year ending March 31, 2022 ("2022 EBITDA") as follows,

(i) *the rate of achievement of the EBITDA target will be zero percent (0%) if 2022 EBITDA is strictly less than two hundred and five million euros (€205,000,000),*

(ii) *the rate of achievement of the EBITDA target will be fifty percent (50%) if 2022 EBITDA is strictly equal to two hundred and five million euros (€205,000,000),*

(iii) *the rate of achievement of the EBITDA target will be one hundred percent (100%) if 2022 EBITDA is strictly equal to or greater than three hundred and ten million euros (€310,000,000),*

it being specified that (a) the rate of achievement of the EBITDA target shall be determined by linear interpolation if 2022 EBITDA falls between the levels indicated above, that (b) the achievement of the targets described in this section (i) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one U.S. dollar and thirteen cents (USD 1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (i), the Board of Directors shall take all measures necessary in order to neutralize this impact.

ii. *Rate of achievement of the revenue target*

The rate of achievement of the revenue target is determined based on the Group's consolidated revenues presented in the consolidated financial statements for the year ending March 31, 2022 ("2022 Revenue"), it being specified that:

(i) *the rate of achievement of the revenue target will be zero percent (0%) if 2022 Revenue is strictly less than seven hundred and seventy-one million U.S. dollars ($771,000,000),*

(ii) *the rate of achievement of the revenue target will be fifty percent (50%) if 2022 Revenue is strictly equal to seven hundred and seventy-one million U.S. dollars ($771,000,000),*

(iii) *the rate of achievement of the revenue target will be one hundred percent (100%) if 2022 Revenue is strictly equal to or greater than one billion, one hundred and twenty-nine million U.S. dollars ($1,129,000,000),*

it being specified that (a) the rate of achievement of the revenue target shall be determined by linear interpolation if 2022 Revenue falls between the levels indicated above, that (b) the achievement of the targets described in this section (ii) shall be determined on the basis of a constant exchange rate set at one euro (€1.00) for one U.S. dollar and thirteen cents (USD 1.13), and (c) that in the event of any change in IFRS having an impact (negative or positive) on the achievement of the targets set out in this section (ii), the Board of Directors shall take all measures necessary in order to neutralize this impact.

iii. *Rate of achievement of the Company's total shareholder return ("TSR") target*

The rate of achievement of the TSR target shall be determined based on the respective performance of the TSR of the Company's ordinary share and the Euro Stoxx 600 Technology index between July 26, 2019 and the publication date of the Group consolidated financial statements for the year ending on March 31, 2022 as follows:

(i) *the rate of achievement of the TSR target will be zero percent (0%) if the TSR of the Company's share is strictly less than eighty percent (80.00%) of the Euro Stoxx 600 Technology index performance,*

(ii) *the rate of achievement of the TSR target will be one hundred percent (100%) if the TSR of the Company's share is strictly greater than or equal to one hundred and twenty percent (120.00%) of the Euro Stoxx 600 Technology index performance,*

it being specified that the rate of achievement of the TSR target will be determined via linear interpolation if the TSR of the Company share falls between the levels indicated above.

The TSR of the Company's shares will be determined as follows:

$$\frac{\text{Final Reference Price + Dividends - Initial Reference Price}}{\text{Initial Reference Price}}$$

where:

- *the Initial Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share before the General Meeting of July 26, 2019,*
- *Dividends are equal to the dividends paid during the period in question,*
- *the Final Reference Price is the average of the last twenty (20) closing prices of the Company's ordinary share following the publication date of the Group's consolidated financial statements for the year ending March 31, 2022.*

If the Euro Stoxx 600 Technology index no longer exists, the Board of Directors may decide or delegate the decision to replace it with any substitute index that, in the Board's opinion, would be suitable for assessing TSR performance;

The conversion ratio, stated as the total number of ordinary shares in the Company resulting from the conversion of all PS 2 issued or to be issued (the "Conversion Ratio") shall be calculated using the following formula:

Conversion Ratio = Max OS x Actual PS 2 / Max PS 2 x Achievement Rate

where:

- *"Max OS" is as defined above,*
- *"Max PS 2" is as defined above,*
- *"Actual PS 2" means the maximum number of PS 2 issued and to be issued as of the Conversion Date,*
- *"Rate of Achievement" means the global rate of achievement of those targets described in (i), (ii) and (iii) above and calculated using the following formula:*

Rate of Achievement = 1/3 x (EBITDA Rate + Revenue Rate + TSR Rate)

- *"EBITDA Rate" is the rate of achievement of the EBITDA calculated in accordance with the detailed methods set out in (i) above, it being stipulated that (x) in the event of the achievement of a theoretical Revenue Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of an EBITDA Rate of between 80% and 100%, the EBITDA Rate shall then be increased by that fraction of the theoretical Revenue Rate percentage falling between 100% and 110% without this resulting in an EBITDA Rate in excess of 100%,*
- *"Revenue Rate" us the rate of achievement of revenues calculated in accordance with the detailed methods set out in (ii) above, it being stipulated that (x) in the event of the achievement of a theoretical EBITDA Rate of between 100% and 110% (calculated on a linear basis), and (y) in the event of the achievement of a Revenue Rate of between 80% and 100%, the Revenue Rate shall then be increased by the fraction of the theoretical EBITDA Rate percentage falling between 100% and 110% without this resulting in a Revenue Rate in excess of 100%,*
- *TSR Rate is the rate of achievement of the TSR target, according to the terms set out in (iii) above.*

The number of ordinary shares resulting from the conversion must be determined for each PS 2 holder by applying the Conversion Ratio to the number of PS 2 held by each holder on the Conversion Date over the number of Actual PS 2 on this date.

If the total number of ordinary shares to be received by a PS 2 holder by applying the Conversion Ratio to the number of PS 2 they hold is not a whole number, the holder will receive the immediately lower number of ordinary shares.

All ordinary shares resulting from the conversion of PS 2 will be the same as outstanding ordinary shares at the Conversion Date and will bear dividends with immediate effect.

As an exception in the event of the death of a holder of PS 2 prior to the Date of Conversion, the PS 2 held by the deceased may, at the request of the heir(s) or other beneficiaries of the deceased, and within a maximum of six (6) months following the death, be converted in advance (the "Date of Early Conversion") into a number of ordinary shares in the Company calculated by applying the Conversion Ratio set out above to the number of PS 2 held by the deceased on the Date of Early Conversion over the number of Actual PS 2 on the Date of Early Conversion, considering however that:

- *the Rate of Achievement is equal to 1, and that*
- *the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Date of Early Conversion (considering in particular any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 as being met).*

The Company's Board of Directors may, in the event of a Simple External Growth Transaction, a divestment or exceptional capital expenditure (CAPEX) lower or higher than that set out in the business plan, make adjustments to performance objectives as follows:

i. *the revenue and EBITDA levels presented in the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 will be restated to neutralize the impact of these operations, and*
ii. *TSR targets will remain unchanged,*

with "Simple External Growth Transaction", which shall mean any acquisition transaction not classified as a Complex Major External Growth Transaction,

In the event of a Complex Major External Growth Transaction or Substantial Equity Investment:

a) *the Conversion Ratio will be determined on the date of the Complex Major Acquisition or Substantial Investment, mutatis mutandis, it being specified that the Rate of Achievement shall have the meaning set out above, except that:*

- *the Revenue Rate and the EBITDA Rate (i) shall be determined based on the last consolidated financial statements available at the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment and (ii) shall be assessed based on the EBITDA and Revenue targets calculated on the date of such financial statements, prorata temporis and by linear interpolation between (i) the Group consolidated EBITDA or Revenue level (as the case may be) as presented in the Group's consolidated financial statements for the fiscal year ending on March 31, 2019 and (ii) firstly (x) the 2022 EBITDA and 2022 Revenue targets enabling an EBITDA Rate and Revenue Rate, as applicable, of 50% to be achieved, and secondly (y) the 2022 EBITDA and 2022 Revenue targets enabling an EBITDA Rate and Revenue Rate of 100%, as applicable, to be achieved,*
- *the TSR Rate (i) will be assessed on the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as the case may be, and (ii) by taking as the Final Reference Price, as applicable, either the exchange ratio approved for a Complex Major External Growth Transaction, or the price offered by the third party as part of a Substantial Equity Investment,*
- *the number of Actual PS 2 means the maximum number of PS 2 issued or to be issued on the Conversion Date defined in paragraph b) below (considering any potential condition regarding continued employment stipulated in the context of any free allocation of PS 2 to be fulfilled).*

with:

"Complex Major External Growth Transaction" which means any acquisition completed via merger by absorption,

"Substantial Equity Investments" means any public takeover or exchange bid launched with regard to the Company's shares, further (i) to the transfer by one or several Strategic Investor(s) of their ordinary shares in the Company to the initiator of the bid or to whom this Strategic Investor(s) may have contributed their ordinary shares in the Company or (ii) to the acquisition of an equity interest resulting in the initiator of the bid crossing the threshold of 30% of the share capital or voting rights of the Company,

"Strategic Investor" refers to Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l taken individually.

b) as an exception, the PS 2 may be converted as follows:

- *if the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment falls prior to the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within six (6) months following the date of the Shareholders' General Meeting approving the Group's consolidated financial statements for the fiscal year ending on March 31, 2021, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date,*
- *if the date of the Complex Major External Growth Transaction or of the Substantial Equity Investment falls between the date of the Shareholders' General Meeting called to approve the Group's consolidated financial statements for the fiscal year ending on March 31, 2021 and the date of the Shareholders' General Meeting approving the Group's consolidated financial statements for the fiscal year ending March 31, 2022, then (i) seventy-five percent (75%) of the PS 2 issued or to be issued shall be converted into ordinary shares within two (2) months following the date of completion of the Complex Major External Growth Transaction or of the Substantial Equity Investment, as applicable, and (ii) the remaining twenty-five percent (25%) shall be converted on the Conversion Date.*

  Where applicable, the Board of Directors may make adjustments to the ratio for converting the PS 2 into ordinary shares in order to protect the rights of beneficiaries, depending on potential transactions on the Company's share capital, specifically in the case of a change of the par value of ordinary shares, a capital increase by capitalization of reserves through an increase in the number of ordinary shares, the capitalization of reserves, earnings, premiums or other amounts allowed to be capitalized by increasing the par value of the ordinary shares, the granting of bonus (free) shares to all shareholders, the issuance of new shares or securities giving access to the Company's share capital with preferential subscription rights reserved for shareholders, a stock split or reverse stock split, the distribution of reserves, issue premiums or any other assets, share capital redemption, changes to the appropriation of earnings, share capital reduction due to losses via a reduction in the number of ordinary shares, or any other operation impacting shareholders' equity (including by way of a takeover bid and/or in the event of a change of control).

  The PS 2 outstanding at the Conversion Date may be converted to new or existing ordinary shares held under the share repurchase program, and notes that the conversion of PS 2 to new ordinary shares entails the waiver by shareholders of their preferential subscription rights to new ordinary shares resulting from the conversion. In any event, the conversion of PS 2 into ordinary shares cannot take place between the mandatory publication in the so-called Bulletin Officiel des Annonces Légales Obligatoires *(French official legal gazette) of prior notice of any general meeting, and the holding of this meeting. If this is the case, the Conversion Date would be postponed until after the Shareholders' General Meeting.*

- *10.4.3 PS 2 repurchase*

  In the event that the performance targets are not achieved and the number of ordinary shares to which the conversion of the PS 2 would give right, by applying the Conversion Ratio, equals zero, the PS 2 may be purchased by the Company at its initiative no later than the one hundred and eightieth (180th) calendar day following the publication date of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 (the "Repurchase Date"), at their par value, in accordance with the provisions of Article L. 228-12 III of the French Commercial Code. The PS 2 thus repurchased would be canceled and the share capital would be proportionally reduced, pursuant to Articles L. 225-205 and 228-12-1 of the French Commercial Code, within sixty (60) calendar days as from the Repurchase Date.

  The Board of Directors must take note, where applicable, of the number of PS 2 repurchased and canceled by the Company, and shall make the necessary changes to the bylaws relating to the share capital amount and the number of shares comprising the share capital."

- Article 25 "Shareholders' Special Meetings"
  - *"The holders of preference shares shall meet in a Shareholders' Special Meeting for any proposed modification of the rights attached to the preference shares, it being stipulated that all collective resolutions within the competence of the Ordinary or Extraordinary Shareholders' General Meeting of the Company are not subject to approval from the Shareholders' Special Meeting. For all intents and purposes, it is specified that the following shall not be submitted for approval to Special Meetings of the holders of existing preference shares (without limitation):*
  - *The conversion of PS 1 and PS 2 in accordance with Articles 10.3.2 and 10.4.2 of these bylaws, and*
  - *The repurchase and/or cancellation of any shares within the context (i) of the repurchase of preference shares by the Company in application of articles 10.3.3 and 10.4.3 of these bylaws, (ii) of the implementation of share repurchase programs under the conditions pursuant to Articles L. 225-209 et seq. of the French Commercial Code, and (iii) of a public offer for the ordinary shares or any class of preference shares.*

    However, in accordance with the provisions of Article L. 228-17 of the French Commercial Code, any contemplated merger or demerger of the Company in the context of which preference shares could not be exchanged for shares having the equivalent specific rights shall be submitted for approval to any relevant Shareholders' Special Meeting.

    Shareholders' Special Meetings are quorate only if those shareholders present or represented hold at least one third, when convened for the first time, or one fifth, when convened for the second time, of those preference shares having voting rights.

    They vote on the basis of a two-thirds majority of the voting rights held by holders of preferred shares of the same class, in person or by proxy. In the event the share capital is modified or returned to shareholders, the rights of preferred shareholders will be adjusted, where applicable, to maintain their rights in accordance with Article L. 228-99 of the French Commercial Code."

Thirty-fourth resolution: Authorization to the Board of Directors to freely allocate, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code, PS 2 to employees and/or corporate officers of the Company and/or companies or groups directly or indirectly related to it, entailing the waiver by shareholders of their preferential subscription rights

The Shareholders' General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, subject to adopting the thirty-third and thirty-fifth resolutions,

1. **authorizes** the Board of Directors, on one or more occasions, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code, according to the terms of this resolution, to freely allocate existing or newly issued PS 2 to beneficiaries it will determine from among the employees, or categories of employee, and from among the corporate officers, or categories of corporate officer, of the Company and/or companies related to it as defined by Article L. 225-197-2 of the French Commercial Code;
2. **decides** that the maximum number of PS 2 that can be freely allocated under this resolution shall be equal to two-third of the maximum total number of PS 2 that could be issued and that shall be set by the Board of Directors in accordance with the thirty-third resolution and shall in no event be greater than 400,000, and, in view of the terms of the PS 2 set out in the thirty-third resolution, notes that the number of ordinary shares resulting from the conversion of free PS 2 shall not exceed 2.5% of the share capital at the date of this Shareholders' General Meeting of July 26, 2019 increased by the number of ordinary

shares resulting from (i) the free shares allocation plans on-going as of the date of this Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1 and (iii) the conversion of the PS 2, it being specified that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account;

3. **decides** that the maximum total number of PS 2 freely allocated to corporate officers of the Company under this authorization, which will be deducted from the 400,000 PS 2 ceiling mentioned in paragraph 2 above, may not represent more than 54,000 PS 2 allocated;
4. **decides** that PS 2 will vest to their beneficiaries at the end of a vesting period whose duration, set by the Board of Directors, may not be less than one year, and that the minimum lockup period, also set by the Board of Directors, may not be less than one year from the date the shares are vested. However, the lockup period for allocated shares with a vesting period of more than two years may be reduced or waived such that the shares can be freely assigned once vested;
5. **decides**, as an exception and subject to the bylaws, that in the event a beneficiary dies or is classified as having a category two or three disability under Article L. 341-4 of the French Social Security Code, the PS 2 will vest immediately at the formal request of the beneficiary (or their assignees, if applicable), no lockup period will apply and the shares will become immediately assignable;
6. **notes** that this authorization entails the formal waiver, in favor of beneficiaries of free PS 2, by shareholders of (i) their preferential subscription rights to newly issued free PS 2, (ii) the portion of reserves, earnings or premiums that will incorporated into the share capital if free PS 2 are newly issued, and (iii) all rights to existing free PS 2. Any corresponding capital increases will be definitively completed by the sole fact of the vesting of shares to their beneficiaries;
7. **decides** that the Company can buy back existing ordinary shares resulting from the conversion of PS 2 allocated under this resolution.

The Shareholders' General Meeting grants all powers to the Board of Directors, with the option to sub-delegate, under the conditions pursuant to the law, within the limits set out above, to implement this authorization, in particular to:

- approve all the terms, methods and conditions of the free PS 2 allocation plan(s),
- determine the beneficiaries and the number of PS 2 allocated to each one,
- set the conditions and determine the criteria, dates and terms for allocating PS 2, such as the minimum vesting period and, if applicable, the duration of the lockup period for each beneficiary, and in general take all necessary measures and conclude any agreement to properly allocate the shares,
- change the number of PS 2 allocated in the event of any share capital or equity transactions occurring during the vesting period to preserve the rights of beneficiaries of free PS 2,
- decide either that the PS 2 and ordinary shares issued from their conversion and held by corporate officers may not be sold by the beneficiaries before their employment has ceased, or require corporate officers to hold a set number of PS 2 and ordinary shares in registered form until the end of their employment, pursuant to the last paragraph of Section II of Article L. 225-197-1 of the French Commercial Code,
- determine whether the ordinary shares resulting from the conversion of PS 2 will be existing or newly issued shares, and, in the case of newly issued shares, if applicable, deduct from reserves, earnings, premiums or other amounts that may incorporated into the share capital the sums needed to pay up said ordinary shares, note the capital increase(s) carried out under this authorization, amend the bylaws accordingly, and, in general, follow all necessary procedures,
- if need be, note the existence of sufficient reserves and for each allocation transfer to a non-distributable reserves account the sums needed to pay up the PS 2 to be allocated,
- if need be, and when the time comes, increase the capital by incorporating reserves, earnings, premiums or other amounts that may be incorporated into the share capital as a result of the issuance of freely allocated new vested PS 2,
- where necessary, buy back ordinary shares,
- where necessary, take all necessary measures to ensure beneficiaries comply with the lockup period,
- do whatever is necessary to implement this authorization within the framework of the law.

The Board of Directors can, within the limits it will have previously set, sub-delegate the powers granted to it under this resolution in accordance with applicable legislation and regulation.

Each year the Board of Directors will report to the Shareholders' General Meeting on the allocations carried out under this resolution pursuant to Article L. 225-197-4 of the French Commercial Code.

This authorization is valid for a period of 38 months from the date of this Shareholders' General Meeting.

Thirty-fifth resolution: Delegation of authority granted to the Board of Directors to issue PS 2, without preferential subscription rights, to persons meeting defined requirements

The Shareholders' General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, and pursuant to Articles L. 228-11, L. 228-12, L. 225-129 *et seq.*, L. 228-91 to L. 228-93 and L. 225-135 to L. 225-138 of the French Commercial Code, subject to adopting the thirty-third and thirty-fourth resolutions:

1. **delegates** its authority to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to issue PS 2, on one or more occasions, in the proportion and at the intervals it deems fit, in euros, foreign currency or any unit of account drawn up against a basket of currencies, against consideration, in and/or outside France, it being specified that these PS 2 may be subscribed for in cash, against payment of liquid payable receivables, or by incorporation of reserves, earnings or premiums or any amount which could be capitalized;
2. **decide** to waive shareholders' preferential subscription rights to PS 2 and under this resolution reserves subscription rights to these PS 2 for beneficiaries meeting the following requirements: corporate officers or employees of the Company or companies directly or indirectly related to it as defined by Article L. 233-4 of the French Commercial Code;

3. **delegates** its authority to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to establish a precise list of beneficiaries of the waiver of the preferential subscription rights and to set the number of PS 2 each one of them must subscribe for under this delegation of authority;
4. **notes** and decides, as the case may be, that this delegation of authority entails the complete waiver by shareholders, in favor of the beneficiaries appearing on the list established by the Board of Directors, of their preferential subscription rights to new shares resulting from the PS 2 that may be issued under this resolution;
5. **decides** that if the Board of Directors makes use of this delegation of authority, the maximum number of free PS 2 that can be issued under this resolution shall be equal to one-third of the maximum total number of PS 2 that could be issued and that shall be set by the Board of Directors in accordance with the thirty-third resolution and shall in no event be greater than 200,000 PS 2, and, in view of the terms of PS 2 set out in the thirty-third resolution, notes that the number of ordinary shares resulting from the conversion of free PS 2 shall not exceed 1.25% of the share capital at the date of this Shareholders' General Meeting of July 26, 2019 increased by the number of ordinary shares resulting from (i) the free shares allocation plans on-going as of the date of this Shareholders' General Meeting of July 26, 2019, (ii) the conversion of the PS 1 and (iii) the conversion of the PS 2; it being specified that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account;
6. **decides** that the Board of Directors shall determine, according to the applicable regulations, the subscription price that shall be set, with opinion of an independent expert, depending on parameters that influence its value
7. **grants** all powers to the Board of Directors, with the option to sub-delegate, in accordance with applicable law, to carry out the abovementioned issues according to the terms it sets in accordance with the law, and in particular to:
   - set the terms of issue, and notably the subscription price,
   - to determine if the ordinary shares resulting from the conversion of the PS 2 shall be existing shares or shares to be issued and, in case of issue of new ordinary shares, to attribute, as the case may be, the necessary funds to pay up the said ordinary shares on the reserves, earnings or premiums or any amount which could be capitalized;
   - amend the bylaws as necessary with regard to the amount of share capital and the number of shares comprising it,
   - on its sole initiative, deduct the costs of capital increases from the amount of related premiums and deduct from this amount the sums required to constitute the legal reserve, and
   - make whatever changes are needed to take into account transactions in the Company's share capital, conclude any agreement needed to properly carry out the planned issues, note the completion of capital increases, amend the bylaws accordingly, follow all necessary procedures, and in general do whatever is necessary;
8. **sets** the validity of this delegation of authority at six (6) months from the date of this Shareholders' General Meeting, it being specified that it cancels and supersedes all other previously adopted delegations of authority granted by a resolution of the same nature.

The Board of Directors may not, except by prior authorization of the Shareholders' General Meeting, make use of this delegation from the time of deposit by a third party of a public offer for the Company's securities, until the end of the offer period.

- RESOLUTION 36: CANCELLATION OF TREASURY SHARES -

By virtue of the 36th **resolution**, to continue the objectives of the share buyback program, shareholders are asked to renew the resolution allowing the Company to **cancel its treasury shares up to 10% of its share capital** over **a period of 24 months** and to reduce the Company's share capital accordingly.

This authorization would be valid until **the Shareholders' General Meeting called in 2020 to approve the financial statements for the year ending March 31, 2020.**

Furthermore, it would cancel and **supersede the authorization granted by a resolution 20th of the same nature adopted on July 26, 2018.**

Thirty-sixth resolution: Authorization granted to the Board of Directors to cancel, if need be, the Company's treasury shares up to a maximum 10%

The Shareholders' General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary General Meetings, having considered the Board of Directors' report and the Statutory Auditors' special report, **authorizes** the Board of Directors, pursuant to Articles L. 225-209 *et seq.* and L. 225-213 of the French Commercial Code, to reduce the share capital, on one or more occasions, in the proportions and at the intervals it deems fit, by cancelling any number of ordinary shares acquired as treasury shares by virtue of authorizations granted by the Shareholders' General Meeting.

At the date of each cancellation, the total number of ordinary shares cancelled by the Company over the 24-month period prior to the cancellation (including those to be cancelled in the aforementioned cancellation) may not exceed 10% of the share capital on that date; it being specified that this limit applies to the Company's share capital adjusted as necessary to take into account transactions affecting the share capital after this Shareholders' General Meeting.

The Shareholders' General Meeting grants all powers to the Board of Directors, with the option to sub-delegate, to cancel treasury shares and reduce the share capital by virtue of this authorization, deduct from the available reserves and premiums of its choice the difference between the buyback value and par value of cancelled ordinary shares held as treasury shares, allocate the fraction of the statutory reserve newly available as a result of the capital reduction, amend the bylaws accordingly, and follow all necessary procedures.

This authorization becomes effective at the close of this General Meeting and will expire on the day of the Shareholders' General Meeting called in 2020 to approve the financial statements for the fiscal year ending March 31, 2020, it being stipulated that this authorization cancels and supersedes all authorizations previously granted by a resolution of the same nature.

This authorization is granted to the Board of Directors, with the power to sub-delegate, in order to carry out any act, formality, or declaration with a view to cancel the shares acquired and decrease the Company's capital, as well as amend the bylaws as necessary.

- RESOLUTION 37: POWERS -

The 37th resolution aims **to grant all powers** to bearers of an original, copy or extract of the minutes of the Shareholders' General Meeting so as to comply with all procedures required by law and/or regulations in force.

Thirty-seventh resolution – Powers for formalities

The Shareholders' General Meeting decides, under the conditions of quorum and majority required for Extraordinary General Meetings, to grant all powers to the bearer of an original, a copy, or an excerpt of the minutes of this Shareholders' Meeting for the purpose of carrying out all formalities required by law and/or by regulations.

8.2.3 SUMMARY TABLE OF THE DELEGATIONS AND AUTHORIZATIONS WHICH THE SHAREHOLDERS' GENERAL MEETING OF JULY 26, 2019, IS BEING ASKED TO GRANT

Reason for the resolution Resolution number	Ceilings	Percentage of the share capital Indicative stock market price****	Duration of the authorization (expiry date)
1. Resolution within the competence of the Ordinary Shareholders' General Meeting			
Companys' share repurchase program *Resolution 21*	5% of the share capital Maximum €150 per share	5% of the share capital*** 1,569,051 shares*** Global maximum amount allocated to the program: €235,357,650	12 months (Shareholders' General Meeting called to approve the financial statements for the fiscal year ending on March 31, 2020)
2. Resolutions within the competence of the Extraordinary Shareholders' General Meeting			
2.1 Resolutions imputable on the overall ceilings of €30 million in nominal in share capital(1) and of €300 million in nominal in debt securities(2)			
Capital increase all securities included with PSR *Resolution 22*	In capital* = €30 million In debt securities** = €300 million	~47.80% of the share capital*** 15,000,134 shares*** market value of ~ €1,126,510,063****	26 months (09/25/2021)
Capital increase by incorporating premiums, reserves, profits or other shares allowed to be capitalized *Resolution 29*	Up to the limit (i) of the total reserves, premiums, or profits, and (ii) of €30 million (in carrying amount)	~47.80% of the share capital*** 15,000,000 shares (to be issued at par value without a share issue premium)	26 months (09/25/2021)
Capital increase by issue of shares or securities giving access to the capital reserved for members of company savings plans with elimination of PSR *Resolution 31*	In capital* = €560,000 and within the limit of 280,000 shares In debt securities** = €300 million	~0.90% of the share capital*** market value of ~ €21,028,000****	26 months (09/25/2021)
2.2 Resolutions imputable simultaneously on the overall sub-ceiling of €6 million in nominal in share capital(3), and the overall ceilings of €30 million in capital(1) and of €300 million in debt securities(2)			
Capital increase, all securities included without PSR – offers to the public *Resolution 23*	In capital* = €6 million In debt securities** = €300 million	~9.56% of the share capital*** 3,000,026 shares*** market value of ~ €225,301,952****	26 months (09/25/2021)
Capital increase, all securities included, without PSR – offerings referred to in Article L. 411-2 of the French Monetary and Financial Code (private placement) *Resolution 24*	In capital* = €6 million In debt securities** = €300 million	~9.56% of the share capital*** 3,000,026 shares*** market value of ~ €225,301,952****	26 months (09/25/2021)
Capital increase, all securities included, without PSR – reserved for categories of persons meeting specific criteria *Resolution 25*	In capital* = €6 million In debt securities** = €300 million	~9.56% of the share capital*** 3,000,026 shares*** market value of ~ €225,301,952****	18 months (01/25/2021)
Capital increase in payment for contributions in kind composed of shares or securities giving access to the capital *Resolution 28*	In capital = 6% of the share capital (up to a limit of 10% of the share capital) In debt securities** = €300 million	~9.56% of the share capital*** 3,000,026 shares*** market value of ~ €225,301,952****	26 months (09/25/2021)
Capital increase in payment for contributions of shares made for a public exchange offer initiated by our Company *Resolution 30*	In capital* = €6 million In debt securities** = €300 million	~9.56% of the share capital*** 3,000,026 shares*** market value of ~ €225,301,952****	26 months (09/25/2021)
2.3 Resolutions covered by the ceilings calculated by reference to those set by the resolutions used for the initial issues			
Increase in the number of shares to be issued with or without PSR in case of excess demand (Greenshoe) *Resolution 26*	Within the limit: • of 15% of the initial issue • of the ceiling or ceilings defined in the resolution used for the initial issue	-	26 months (09/25/2021)
Capital increase, all securities included without PSR - derogation rules for setting the issue price (unrestricted price) *Resolution 27*	Within the limit: • 10% of the share capital per a period of 12 months, and • of the ceiling or ceilings defined in the resolution used for the initial issue	-	26 months (09/25/2021)

Reason for the resolution Resolution number	Ceilings	Percentage of the share capital Indicative stock market price****	Duration of the authorization (expiry date)
2.4 Resolutions covered by standalone ceilings			
Free allocation of shares to employees and corporate officers without PSR *Resolution 32*	5% of the share capital as of the date of the allocation granted by the Board of Directors. The allocation to corporate Directors and officers must not exceed 20% of the total grant	1,569,051 shares*** market value of ~ €117,835,730****	38 months (9/25/2022)
Creation of a new class of preferred shares ("PS 2") convertible into ordinary shares (in the frame of the implementation of a long-term co-investment plan to the benefit of some employees and executive corporate officers of our Company and/or of its affiliates) *Resolutions 33 (creation of the new class of PS 2), 34 (authorization to grant PS 2 for free) and 35 (issue of PS 2 without PSR)*	Maximum ceiling of 3.75% of the partially diluted share capital(4) under resolution 33	3.75% of the partially diluted share capital(4) 1,247,879 shares market value of ~ €93,715,713****	-
	Sub-ceiling of 2.5% of the partially diluted share capital(4) under resolution 34	2.5% of the partially diluted share capital(4) 831,919 shares market value of ~ €62,477,117****	
	Sub-ceiling of 1.25% of the partially diluted share capital(4) under resolution 35	1.25% of the partially diluted share capital(4) 415,959 shares market value of ~ €31,238,521****	
Cancellation of shares acquired pursuant to the authorizations to buy back the Company's treasury shares *Resolution 36*	10% of the share capital over a period of 24 months	N/A	12 months (Shareholders' General Meeting to be called to approve the financial statements for the fiscal year to end on March 31, 2020)

(1) Overall ceiling of €30 million in nominal value, applicable to all capital increase transactions that may result from the implementation of resolutions 22 to 31 of the OEGM of July 26, 2019 This ceiling of €30 million is in addition to the total nominal value of the capital increases related to the ordinary shares that may be issued in addition in order to preserve the rights of securities of rights giving access to our Company's share capital.

(2) Overall ceiling of €300 million in nominal value, applicable to all issues of shares described in note (**) below that may result from the implementation of resolutions 22 to 31 of the OEGM of July 26, 2019 (with the exception of resolution 29). This limit shall be increased, if applicable, by any redemption premium in excess of the par value.

(3) Global sub-ceiling of €6 million in nominal value, applicable to all capital increase transactions leading to the cancellation of preferential subscription rights, that may result from the implementation of resolutions 23 to 30 of the OEGM of July 26, 2019 (with the exception of resolution 29). This sub-ceiling of €6 million is in addition to the total nominal value of the capital increases related to the ordinary shares that may be issued in addition in order to preserve the rights of securities of rights giving access to our Company's share capital. This overall sub-ceiling of €6 million is charged against the overall ceiling of €30 million described in note (1) above.

(4) Partially diluted share capital means our Company's share capital as of the date of the Shareholders' General Meeting dated July 26, 2019, increased by (i) the on-going free ordinary shares allocation plans as of the date of the Shareholders' General Meeting dated July 26, 2019, (ii) the conversion of the preferred shares resulting from the free preferred share allocation plan dated July 26, 2016 (also known as "PS 1") and (iii) the conversion of the PS 2. These ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account.

** Shares.*

*** Debt securities or similar securities giving access, immediately or in the future, to the Company's capital.*

**** On the basis of our share capital as of June 12, 2019, amounting to €62,762,070.50.*

***** Indicative stock market price excluding any discount applied to the share price, and based on the stock market closing price of our ordinary shares standing at €75.10 at market close on May 31, 2019.*

8.3 BOARD OF DIRECTORS' REPORT ON THE RESOLUTIONS SUBMITTED TO OUR ORDINARY AND EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING OF JULY 26, 2019

The following report was reviewed and approved by our Board of Directors at its meeting held on June 12, 2019.

It presents the draft resolutions on which our shareholders are asked to vote.

It is intended to present the important points of the draft resolutions, in accordance with applicable laws and regulations and with best practice in corporate governance as recommended for companies listed in Paris.

However, this report is not exhaustive. Furthermore, our shareholders should read all of the draft resolutions closely prior to exercising their voting right.

Our shareholders are also encouraged to read the statutory auditors' comments and observations, as presented in their reports.

The Board of Directors unanimously recommends that the shareholders adopt all of the draft resolutions presented to them.

We hope that the various proposals outlined in this report will be approved by our shareholders, and that the corresponding resolutions will be adopted.

I. PROGRESS OF COMPANY'S AFFAIRS SINCE THE BEGINNING OF THE CURRENT FISCAL YEAR

In accordance with applicable regulations, the description of the Company's progress since the beginning of the year is presented in the 2018-2019 Registration Document, notably within chapter 5.

II. ORDINARY SHAREHOLDERS' GENERAL MEETING

The resolutions submitted for your approval this year at the Ordinary Shareholders' General Meeting concern:

- **the approval of the statutory and consolidated financial statements** for the fiscal year ended on March 31, 2018 (Resolutions 1 and 2);
- **the appropriation of earnings (Resolution 3);**
- **the approval of regulated agreements and commitments (Resolution 4);**
- **the appointment of Françoise Chombar as a new Director,** who would take over from Nadine Foulon-Belkacémi whose appointment as a Director will expire at the close of your Shareholders' General Meeting **(resolution 5);**
- **the appointment of Shuo Zhang as a new** Director to replace Monica Beltrametti, whose term of office as Director will expire at the close of your Shareholders' General Meeting (Resolution 6);
- the approval of the co-option of two Directors, **Kai Seikku and Jeffrey Wang (Resolutions 7 and 8);**
- **the reappointment of 8 Directors: Paul Boudre, Bpifrance Participations, CEA Investissement, Laurence Delpy, Christophe Gegout, Kai Seikku, Thierry Sommelet, and Jeffrey Wang (Resolutions 9 to 16);**
- **the *ex-post* say on pay** in respect of the fiscal year ended on March 31, 2019:
  - the approval of all items of **compensation paid to Paul Boudre, Chief Executive Officer (Resolution 17),**
  - the approval of all items of **compensation paid to Thierry Sommelet, Chairman of the Board of Directors until March 27, 2019 (Resolution 18),**
  - the approval of all items of **compensation paid to Éric Meurice, Chairman of the Board of Directors since March 27, 2019 (Resolution 19);**
- **the ex-ante say** on pay in respect of the current fiscal year, ended on March 31, 2020, relating to the approval of compensation paid to executive corporate officers **(Resolution 20)**; and
- the renewal of our **share buy-back program (Resolution 21).**

First resolution – Approval of the statutory financial statements for the fiscal year ended on March 31, 2019

We propose you to **approve the Company's annual financial statements for the fiscal year ended on March 31, 2019, which show revenue of €448,693,560.87 and earnings of €108,459,703.18,** and also to approve the overall amount of non-deductible charges and expenses subject to corporate income tax, amounting to €129,985.34 for the year, and giving rise to an estimated tax charge of €44,624.

Second resolution – Approval of the consolidated financial statements for the fiscal year ended on March 31, 2019

We invite you to **approve the consolidated financial statements** for the fiscal year ended on March 31, 2019, which present **revenue of €443,946 thousand and net income Group share of €90,187 thousand.**

Third resolution – Appropriation of earnings for the fiscal year ended on March 31, 2018

We propose you to appropriate earnings for the fiscal year ended on March 31, 2019, **amounting to €108,459,703.18, as follows:**

- **€505,769.02, *i.e.* 5% of said earnings to the "Statutory Reserve"** item which would take it from €5,770,438.03 to €6,276,207.05 and, would reach an amount at least equal to 10% of our share capital; and
- **the balance, *i.e.* €107,953,934.16 to "Retained earnings"**, which would take it from €45,170,435.55 to €153,124,369.71.

You are also invited to note that no dividends were paid out in respect of the last three fiscal years.

Fourth resolution – Approval of regulated agreements and commitments

The agreements referred to in Article L. 225-38 of the French Commercial Code are the subject of a special report on regulated agreements and commitments prepared by our statutory auditors. This report can be found in section 8.4 of this Registration Document. It contains information on the regulated agreements and commitments entered into during the fiscal year ended on March 31, 2019, as well as the regulated agreements and commitments previously entered into and approved, which continued during the same fiscal year.

In accordance with applicable laws**, we ask you to review the information provided in this report and to approve its findings,** pursuant to Article L. 225-40 of the French Commercial Code.

Regulated agreements and commitments entered into during the fiscal year ended on March 31, 2019

1. With the French Atomic Energy and Alternative Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* - CEA):

On July 27, 2018, with the authorization of our Board of Directors on December 14, 2017, the Company signed a new multi-year framework R&D partnership agreement with CEA.

Its purpose is to set the modalities of execution of R&D work in collaboration between the CEA and our Company.

It has been entered into retroactively from January 1, 2018 and for a term of 5 years, *i.e.* until December 31, 2022.

Under the agreement, the CEA invoiced our Company €5,317,000 for the fiscal year ended on March 31, 2019.

The people concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
CEA	• Company controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, CEA Investissement)	L. 225-38 paragraph 1
CEA Investissement	• Director of our Company, appointed on the proposal of the CEA • Shareholder of our Company holding more than 10% of the voting rights, controlled by the CEA	L. 225-38 paragraph 2
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of the CEA (until October 2018)	L. 225-38 paragraphs 2 and 3

2. With the French Atomic Energy and Alternative Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* - CEA)

On July 27, 2018, with the authorization of our Board of Directors on December 14, 2017, our Company signed a patent and know-how communication licensing agreement with the CEA for the production and sale of substrates.

Its purpose is to set the terms for use of the patents and know-how.

It was signed with a retroactive effect on January 1, 2017 and will expire at the latest on December 31, 2027 or the date of expiry of the last patent or the last know-how under this agreement.

Under the agreement, the CEA invoiced our Company €5,019,695 during the 2018-2019 fiscal year.

The people concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
CEA	• Company controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, CEA Investissement)	L. 225-38 paragraph 1
CEA Investissement	• Director of our Company, appointed on the proposal of the CEA • Shareholder of our Company holding more than 10% of the voting rights,controlled by the CEA	L. 225-38 paragraph 2
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Managing Director of the CEA (until October 2018)	L. 225-38 paragraphs 2 and 3

3. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated license and technology transfer agreement" with Simgui.

Its purpose is to allow Simgui, as part of an increase in production capacity for 200-mm SOI wafers to produce in China and sell these products exclusively to our Company for the global market using our Smart Cut™ technology.

It was signed with retroactive effect on December 27, 2018 for a duration of 6 years up to December 26, 2024.

Under the agreement, our Company invoiced Simgui USD500,000 during the 2018-2019 fiscal year.

The persons concerned by this agreement include:

Identity	Reason	Relevant Article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company, holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38, paragraph 2
Nabeel Gareeb	• Director of our Company, appointed on the proposal of NSIG (until March 27, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38, paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38, paragraph 2

4. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated SOI supply agreement" with Simgui for the supply of SOI wafers.

Its purpose is the supply of SOI wafers manufactured by Simgui to our Company in accordance with the terms of the licensing and technology transfer agreement indicated in paragraph 3. above.

It has been entered into retroactively from December 27, 2018, and for a term of 6 years, *i.e.* until December 26, 2024.

Under the agreement, Simgui invoiced our Company USD23,700,000 during the 2018-2019 fiscal year.

The people concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Nabeel Gareeb	• Director of our Company, appointed on the proposal of NSIG (until March 27, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

5. With Shanghai Simgui Technology Co. Ltd. (Simgui)

On January 17, 2019, with the authorization of our Board of Directors on November 28, 2018, our Company signed an "Amended and restated bulk supply agreement" with Simgui for the supply of raw materials.

Its purpose is the supply of raw materials for the production of SOI wafers by our Company to Simgui in accordance with the terms of the licensing and technology transfer agreement indicated in paragraph 3. above.

It was signed with retroactive effect on December 27, 2018 for a duration of 6 years up to December 26, 2024.

Under this agreement, our Company invoiced Simgui USD19,288,984 during the 2018-2019 fiscal year.

The people concerned by this agreement include:

Identity	Reason	Applicable article of the French Commercial Code
National Silicon Industry Group (NSIG)	• Group controlling one of the shareholders of our Company holding more than 10% of the voting rights (in this case, NSIG Sunrise S.à.r.l.) and Simgui	L. 225-38 paragraph 2
Nabeel Gareeb	• Director of our Company, appointed on the proposal of NSIG (until March 27, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG (until March 2019) controlling NSIG Sunrise S.à.r.l. and Simgui	L. 225-38 paragraph 2

Regulated agreements and commitments previously entered that continued during the fiscal year ended on March 31, 2019

1. With GLOBALFOUNDRIES U.S., Inc. (GF)

In April 2017, with the authorization of our Board of Directors on March 30, 2017, our Company and GF signed a Materials Supply Agreement (the "MSA") effective April 25, 2017.

The MSA sets out the general terms and conditions for the purchase of our Company's products by GF and some of its subsidiaries. In turn, the Company undertakes to provide these products, as stated in purchase orders or Addenda attached to the MSA.

This agreement has been entered into for a five-year term (until March 31, 2022) and shall tacitly renew each year, unless it is expressly terminated.

The agreement also sets out the terms and conditions for delivery, product storage, the term of the product warranty and the parties' liability.

Those impacted by the MSA are:

Identity	Reason	Applicable article of the French Commercial Code
Douglas Dunn	• Director of our Company (until July 26, 2018) • Director of GF	L. 225-38 paragraphs 2 and 3

2. With GLOBALFOUNDRIES U.S., Inc. (GF)

In September 2017, with the authorization of our Board of Directors on March 30, 2017, our Company and GF signed a Long-term Addendum to Materials Supply Agreement (the "LTA"), taking retroactive effect on July 1, 2017.

This agreement has been entered into for a five-year term (until March 31, 2022) and shall tacitly renew each year, unless it is expressly terminated.

The LTA is governed by the rules of the Materials Supply Agreement (referred to above in point 1).

The LTA sets out the terms under which GF and its subsidiaries may be provided FD-SOI by our Company for a majority of their requirements.

Prices depend on volumes purchased and product margins. They may also be reduced if GF makes it possible to reduce the cost of acquiring certain items of equipment required for the manufacture of products.

Raw material prices do not influence the prices offered to GF.

This agreement also sets out the rules relating to delivery terms and conditions and to consignment goods.

Those impacted by the LTA are:

Identity	Reason	Applicable article of the French Commercial Code
Douglas Dunn	• Director of our Company (until July 26, 2018) • Director of GF	L. 225-38 paragraphs 2 and 3

3. With GLOBALFOUNDRIES Dresden Module One LLC &Co. KG (GF Dresden)

In April and May 2017, with the authorization of our Board of Directors granted on March 30, 2017, our Company and GF Dresden signed a Product Purchase Addendum ("PPA"), appended to the Materials Supply Agreement ("MSA", referred to in point 1. above).

The PPA was entered into for the same term as the MSA, *i.e.* 5 years (until March 31, 2022), it being recalled that the MSA tacitly renews each year unless it is expressly terminated.

The PPA is an addendum to the MSA that defines that terms and conditions for the consignment of certain products bought by GF Dresden only. The MSA therefore applies to the PPA.

This agreement lists the products that will be purchased by GF Dresden from our Company under a consignment sale. The rules relating to the consignment to Dresden are also defined in the agreement.

Those impacted by the PPA include:

Identity	Reason	Applicable article of the French Commercial Code
Douglas Dunn	• Director of our Company (until July 26, 2018) • Director of GF	L. 225-38 paragraphs 2 and 3

Regarding the agreements referred to in points 1 to 3 above, sales of wafers between our Company and GF amounted to USD60,900,000 during the 2018-2019 fiscal year.

4. With Bpifrance Participations, CEA Investissement and NSIG Sunrise S.à.r.l.

The execution of the Shareholders' agreement signed between our Company and its three strategic investors, Bpifrance Participations, CEA Investissement and National Silicon Industry Groupe/NSIG Sunrise S.à.r.l., previously authorized by the Board of Directors on March 3, 2016, continued throughout the fiscal year ended on March 31, 2019.

Our three major shareholders effectively retained their respective equity interests in the Company throughout the fiscal year.

This shareholder agreement primarily relates to the organization of the Company's corporate governance.

Those impacted by the shareholder agreement are:

Identity	Reason	Applicable article of the French Commercial Code
Bpifrance Participations	• Shareholder of our Company holding more than 10% of the voting rights • Director of our Company	L. 225-38 paragraph 1
Thierry Sommelet	• Director of our Company, appointed on the proposal of Bpifrance	L. 225-38 paragraph 2
CEA Investissement	• Shareholder of our Company holding more than 10% of the voting rights • Director of our Company	L. 225-38 paragraph 1
Christophe Gegout	• Director of our Company, appointed on the proposal of the CEA • Deputy Managing Director of CEA (until October 2018) • Chairman of the Board of Directors of CEA Investissement (until October 2018)	L. 225-38 paragraph 2
NSIG Sunrise S.à.r.l.	• Shareholder of our Company holding more than 10% of the voting rights	L. 225-38 paragraph 1
Nabeel Gareeb	• Director of our Company, appointed on the proposal of NSIG (until March 27, 2019) • Executive at NSIG controlling NSIG Sunrise S.à.r.l. (until March 2019)	L. 225-38 paragraph 2
Weidong (Leo) Ren	• Director of our Company, appointed on the proposal of NSIG (until May 7, 2019) • Executive at NSIG controlling NSIG Sunrise S.à.r.l. (until March 2019)	L. 225-38 paragraph 2

5. With Paul Boudre

Our shareholders are asked to acknowledge that the review of the implementation of all the items of compensation paid to Paul Boudre, Chief Executive Officer, for the 2018-2019 fiscal year, as well as his variable compensation for the current 2019-2020 fiscal year, was conducted by our Board of Directors pursuant to the procedure provided for in Articles L. 225-38 *et seq.* of the French Commercial Code, in application of Article L. 225-42-1 of said Code.

Paul Boudre, a Director of our Company, did not take part in discussions regarding his compensation, and abstained from voting on these matters.

Identity	Reason	Applicable article of the French Commercial Code
Paul Boudre	• Chief Executive Officer and Director of our Company	L. 225-38 paragraph 1

Fifth resolution – Appointment of Ms. Françoise Chombar as a new Director

We propose you **to appoint Ms. Françoise Chombar as a Director of our Company** for a period of three years, i.e. until the close of the Ordinary Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

The appointment of Ms. Françoise Chombar as a new Director would become effective on the date of your Shareholders' General Meeting.

Our Board of Directors has noted that **Ms. Françoise Chombar meets the independence criteria set by the AFEP-MEDEF Code** of Corporate Governance for Publicly Listed Companies.

Ms. Françoise Chombar would take over from Ms. Nadine Foulon-Belkacémi whose appointment will expire at the close of your Shareholders' General Meeting. Ms. Foulon-Belkacémi had indicated to the Board her wish not to be reappointed.

In this respect, our Board of Directors wishes to thank Ms. Nadine Foulon-Belkacémi for her regular attendance and her efficient contribution to the work of the Board and its Committees. Most particularly, our Directors congratulates her for having chaired the Compensation and Appointments Committee and then the Compensation Committee over the last three years during which numerous complex topics have been successfully implemented.

If your Shareholders' General Meeting approves the appointment of **Ms. Françoise Chombar, she would be selected by her peers as a member of the Nomination Committee, of the Strategic Committee and of the Restricted Strategic Matters Committee.**

Biographical details concerning Ms. Françoise Chombar are set out in paragraph 4.1.2.3 of this Registration Document.

Sixth resolution – Appointment of Ms. Shuo Zhang as a new Director

Pursuant to the recommendation of the Nomination Committee which met on May 1, 2019, we propose you to appoint **Ms. Shuo Zhang as Director of our Company** for a period of three years, *i.e.* until the close of the Ordinary Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

The appointment of Ms. Shuo Zhang as Director would be effective at the date of your Shareholders' General Meeting.

Our Board of Directors has noted that **Ms. Shuo Zhang meets the independence criteria set by the AFEP-MEDEF** Code on corporate governance of listed companies.

Ms. Shuo Zhang replaces **Ms. Monica Beltrametti** whose term will expire at the end of the Shareholders' General Meeting. Ms. Beltrametti had indicated her wish not to be reappointed.

In this respect, our Board of Directors wishes to thank Ms. Monica Beltrametti for her regular attendance and her efficient contribution to the work of the Board and its Committees over the last 3 years.

If the Shareholders' General Meeting approves **Ms. Shuo Zhang's appointment, she will also join the Audit and Risks Committee, the Compensation Committee and the Strategic Committee.**

Our Board of Directors also intends to entrust Ms. Shuo Zhang with a special assignment (details forthcoming) for which she would earn and receive exceptional compensation. In accordance with applicable regulations, this assignment and the related compensation would be subject to the rules governing related-party agreements set out in Articles L. 225-38 et seq. of the French Commercial Code.

Biographical details concerning Ms. Shuo Zhang are set out in paragraph 4.1.2.3 of this Registration Document.

Seventh resolution – Ratification of the co-option of Mr. Kai Seikku as a Director

Pursuant to the recommendation of the Nomination Committee which met on April 17, 2019, we propose **to ratify the co-option of Mr. Kai Seikku as a Director** of our Company, **appointed to replace Mr. Nabeel Gareeb**, who resigned, for the remainder of his term of office, *i.e.* until the end of your Shareholders' General Meeting of July 26, 2019.

Furthermore**, his reappointment shall be proposed at this meeting** under resolution 14.

Mr. Kai Seikku was appointed by his peers as a member of the Strategic Committee, the Nomination Committee and the Compensation Committee.

Biographical details concerning Kai Seikku are set out in paragraph 4.1.2.3 of this Registration Document.

Eighth resolution – Ratification of the co-option of Mr. Jeffrey Wang as a Director

Pursuant to the recommendation of the Nomination Committee which met on April 17, 2019, we propose to **ratify the co-option of Mr. Jeffrey Wang as a Director** of our Company, **appointed to replace Mr. Weidong (Leo) Ren, who resigned**, for the remainder of his term of office, *i.e.* until the end of your Shareholders' General Meeting of July 26, 2019.

Furthermore, **his reappointment shall be proposed at this meeting** under resolution 16.

Mr. Jeffrey Wang was appointed by his peers as a member of the Audit and Risks Committee.

Biographical details concerning Jeffrey Wang are set out in paragraph 4.1.2.3 of this Registration Document.

Ninth resolution – Reappointment of Mr. Paul Boudre as a Director

The term of office of Mr. Paul Boudre, our Chief Executive Officer, which took effect on July 25, 2016, **ends at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew his term of office for a period of three years,** *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Mr. Paul Boudre is a member of the Strategic Committee and a permanent guest of the Restricted Strategic Matters Committee in his capacity as Chief Executive Officer.

Biographical details concerning Paul Boudre are set out in paragraph 4.1.2.1.3 of this Registration Document.

Tenth resolution – Reappointment of Bpifrance Participations as Director

The term of office of Bpifrance Participations, represented by Ms. Sophie Paquin, which took effect on July 25, 2016, ends at the close of your Shareholders' General Meeting.

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew her term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Ms. Sophie Paquin is a member of the Nomination Committee and the Compensation Committee.

Biographical details concerning Ms. Sophie Paquin are set out in paragraph 4.1.2.3 of this Registration Document.

Eleventh resolution – Reappointment of CEA Investissement as a Director

The term of office of CEA Investissement, represented by Ms. Guillemette Picard, which took effect on July 25, 2016, **ends at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew her term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Ms. Guillemette Picard is a member of the Nomination Committee and the Compensation Committee.

Biographical details concerning Ms. Guillemette Picard are set out in paragraph 4.1.2.3 of this Registration Document.

Twelfth resolution – Reappointment of Ms. Laurence Delpy as a Director

The term of office of Ms. Laurence Delpy, which took effect on April 11, 2016, **ends at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew her term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Ms. Laurence Delpy is an independent Director, Chairwoman of the Nomination Committee, member of the Audit and Risks Committee, the Compensation Committee, the Strategic Committee and the Restricted Strategic Matters Committee.

Biographical details concerning Ms. Laurence Delpy are set out in paragraph 4.1.2.3 of this Registration Document.

Thirteenth resolution – Reappointment of Mr. Christophe Gegout as a Director

The term of office of Mr. Christophe Gegout, which took effect on May 2, 2016, **ends at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew his term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Mr. Christophe Gegout is Chairman of the Audit & Risks Committee, member of the Strategic Committee and Restricted Strategic Matters Committee.

Biographical details concerning Christophe Gegout are set out in paragraph 4.1.2.3 of this Registration Document.

Fourteenth resolution – Reappointment of Mr. Kai Seikku as a Director

The term of office of Mr. Kai Seikku took effect on May 6, 2019 following his co-option decided by our Board of Directors on the same day, and submitted for your approval under resolution 7.

His term of office **will expire at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew his term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Mr. Kai Seikku is a member of the Strategic Committee, the Nomination Committee and the Compensation Committee.

Biographical details concerning Kai Seikku are set out in paragraph 4.1.2.3 of this Registration Document.

Fifteenth resolution – Reappointment of Mr. Thierry Sommelet as a Director

The term of office of Mr. Thierry Sommelet took effect on November 29, 2017 following his co-option decided by our Board of Directors on the same day, and approved by our shareholders during the Shareholders' General Meeting of March 23, 2018.

His term of office **will expire at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew his term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Thierry Sommelet was Chairman of our Board of Directors up to March 27, 2019. Since that date, he has kept his positions as member of the Audit and Risks Committee, Strategic Committee and Restricted Strategic Matters Committee.

Biographical details concerning Thierry Sommelet are set out in paragraph 4.1.2.3 of this Registration Document.

Sixteenth resolution – Reappointment of Mr. Jeffrey Wang as a Director

The term of office of Mr. Jeffrey Wang took effect on May 7, 2019 following his co-option decided the day before by our Board of Directors, subject to the written confirmation of the resignation of Weidong (Leo) Ren. His co-option is submitted for your approval under resolution 8.

His term of office **will expire at the close of your Shareholders' General Meeting.**

Pursuant to the recommendation of the Nomination Committee which met on June 11, 2019, we propose that you **renew his term of office for a period of three years**, *i.e.* until the close of your Shareholders' General Meeting to be held in 2022 to decide on the financial statements of the fiscal year ending on March 31, 2022.

Mr. Jeffrey Wang is a member of the Audit and Risks Committee.

Biographical details concerning Jeffrey Wang are set out in paragraph 4.1.2.3 of this Registration Document.

Seventeenth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid or granted to Mr. Paul Boudre, Chief Executive Officer, for the fiscal year ended March 31, 2019

Rules applicable to *ex-post* Say on pay

In accordance with the provisions of Article L. 225-100 of the French Commercial Code resulting from law No. 2016-1691 of December 9, 2016, also known as the Sapin II law, once the a General Meeting of a company whose shares are listed on a regulated market has decided on principles and criteria under the conditions set out in Article L. 225-37-2 of the French Commercial Code, it then decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to executive corporate officers (ex post say on pay).

In accordance with Article R. 225-29-1 of the French Commercial Code, our shareholders are asked to approve the following components:

- Directors' fees;
- annual fixed compensation;
- annual variable compensation;
- multi-annual variable compensation;
- stock options;
- free shares;
- exceptional compensations;
- compensation, allowances or benefits due or likely to be due on taking up the office;
- obligations mentioned in the first and sixth paragraphs of Article L. 225-42-1 of the French Commercial Code;
- compensation items and benefits of any kind due or likely to be due to one of the persons mentioned in the first subparagraph of Article L. 225-37-2 of the French Commercial Code, under agreements concluded directly or *via* an intermediary, by virtue of their office, with (i) the Company in which said office is held; (ii) any entity the Company controls, within the meaning of Article L. 233-16; any entity controlling the Company, within the meaning of said Article; or any entity controlled by the same entity controlling the Company, within the meaning of said Article;
- any other compensation item due by virtue of the office;
- benefits of any kind.

In resolution 17, we ask you to approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Paul Boudre, Managing Director, for the fiscal year ended on March 31, 2019.

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to Mr. Paul Boudre as Chief Executive Officer during the 2018-2019 fiscal year **were the subject of resolution 8, submitted for approval to the Shareholders' General Meeting of July 26, 2018 (*ex-ante* say-on-pay).**

These principles and criteria **were approved beforehand by our Board of Directors at its meeting of June 13, 2018** on the recommendation of the Compensation Committee at its meetings of March 27 and June 12, 2018.

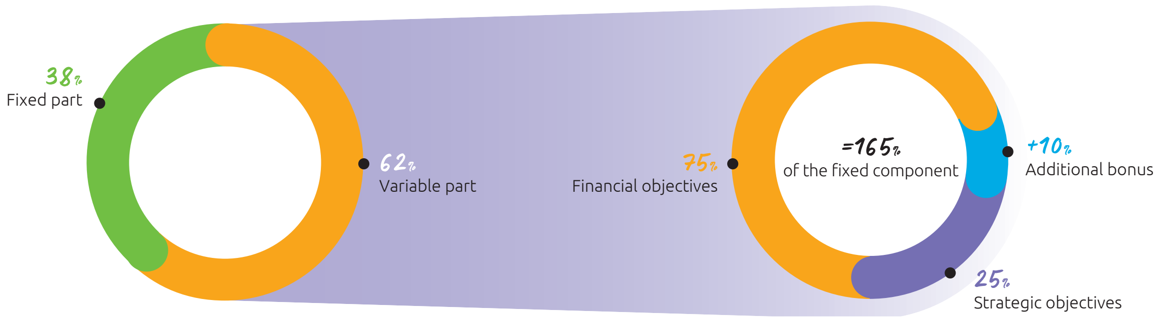
This resolution 8 had been adopted at 66.67% by the shareholders, thus approving the compensation policy of Mr. Paul Boudre for the 2018-2019 fiscal year.

Summary of the components of compensation of Mr. Paul Boudre for the fiscal year ended March 31, 2019

Described in paragraph 4.2 of this Registration Document, his 2018-2019 compensation was made up of the following components:

- an annual fixed compensation:
  - initially set at €450,000 gross, applicable from April 1, 2018 to December 31, 2018,
  - then revalued to €550,000 gross, from January 1, 2019,
  - paid in 12 monthly installments during the course of the fiscal year; and
  - representing a total amount €475,000 gross;
- an **annual variable compensation**
  - based on various objectives,
  - to be granted after fiscal year-end and to be paid only after the approval of the Shareholders' General Meeting of July 26,2019,
  - representing to 165% of the fixed part, i.e. a total amount of €783,748 gross.

We invite you to consult paragraph 4.2 **of this Registration Document setting out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Paul Boudre, Chief Executive Officer, for the fiscal year ended on March 31, 2019 and to approve them**.



Remarks on the annual fixed compensation of Mr. Paul Boudre for the fiscal year ended on March 31, 2019

At its meeting on June 13, 2018, on recommendation of the Compensation Committee, which met the day before, our Board of Directors had expressed its intention to modify Mr. Paul Boudre's compensation, whose annual fixed part then amounted to €450,000 gross.

Indeed it had not been reviewed since 2010. Yet, since then, our Group had experienced significant changes in both business and results.

In this regard, the Board of Directors instructed the Compensation Committee to make a recommendation to this end, to take into account the gap seen against market practices for similar companies.

Our Directors had already noted that in the event of reassessment of the fixed part of Mr. Paul Boudre's compensation, this would be consistent with the principles set out in the AFEP-MEDEF Code, since it would occur a relatively long time after his las increase in fixed compensation. Our Board of Directors was informed that the amount of Mr. Paul Boudre's new compensation, as well as the reasons for it, would be made public.

Thus, **on July 26, 2018, a press release firstly announced that our Board of Directors had unanimously decided to set the fixed part of the annual compensation of Mr. Paul Boudre at €550,000 gross, from January 1, 2019.**

The **public was also informed of the fact that our Board of Directors had decided to set up a key-person insurance policy on Mr. Paul Boudre**, covering his beneficiaries in the event of death or invalidity, through the payment of a capital of €1.5 million. It was stipulated that this key-person insurance would be backed by the one benefiting our Company under the same conditions.

Lastly, it was indicated that the key-person insurance premium corresponding to the coverage of Mr. Paul Boudre's beneficiaries would be treated as a benefit in kind granted to him as part of his compensation policy for the 2018-2019 fiscal year.

Remarks on the annual variable compensation of Mr. Paul Boudre for the fiscal year ended on March 31, 2019

During its meeting held on March 28, 2018, our Board of Directors decided that the **variable part of Mr. Paul Boudre's compensation for the 2018-2019 fiscal year, could range from 0% to 165% of the fixed part.**

Achievement **of the target values of the objectives set by our Board of Directors on the recommendation of the Compensation Committee, should entitle him to a variable part amounting to 100% of the fixed part**. As in the previous two fiscal years 2016-2017 and 2017-2018, the achievement of budgetary commitments should account for 90% of the target financial criteria.

Exceeding target values of the objectives could be taken into account for up to 150%.

Finally, Paul Boudre's variable compensation could be increased by 10% if an additional strategic objective was reached, which could bring the variable part of his compensation to 165% of the fixed part.

Type of objective and description	Description weight
I. FINANCIAL OBJECTIVES	75%
1. ***Revenues level*** *(in million Euros)*	25%
2. ***Consolidated EBITDA level*** *(in absolute value in million Euros)*	25%
3. ***Cash level*** *(in million Euros)*	25%
II. STRATEGIC OBJECTIVES	25%
4 contributions identified as primary growth levers for our Group, including:	
• *CEO's succession plan*	*1 out of 4 = 0% achievement*
• *First customer qualification in RF-SOI 300 mm with internal-made epitaxy*	*2 out of 4 = 75% achievement*
• *Executing FY19 financial plan to support business plan*	*3 out of 4 = 100% achievement*
• *First customer qualification in 300mm manufactured by Pasir Ris plant in Singapore*	*4 out of 4 = 150% achievement*
III. ADDITIONNAL STRATEGIC OBJECTIVE	INCREASE BY 10 % OF THE TOTAL VARIABLE COMPENSATION

At its meeting of June 12, 2019, in accordance with the recommendation of the Compensation Committee meeting the previous day, our Board of Directors set for the first time at its maximum the variable part of Mr. Paul Boudre's compensation for the 2018-2019 fiscal year.

It thus stands at 165% of the fixed part and amounts to €783,748 gross.

Remarks on the other compensation items of Mr. Paul Boudre for the fiscal year ended on March 31, 2019

Benefits in kind

Mr. Paul Boudre had benefits in kind consisting of a company car and a voluntary insurance policy against employment loss, for a total amount of €24,720 during the 2018-2019 fiscal year.

He also took benefit of supplementary retirement schemes similar to those in place for the previous fiscal year as described in paragraph 4.2 of this Registration Document.

No new allocation of securities giving access, immediately or in the future, to our Company's share capital

No new allocation of securities giving access immediately or in the future to our Company's share capital was granted to Mr. Paul Boudre in the 2018-2019 fiscal year.

We remind you that, for the previous fiscal year ended on March 31, 2017, a proportion of a free preferred shares allocation plan giving access to our Company's share capital (also known as "MIP"), with presence and performance conditions, had been awarded to him by the Board of Directors at its meeting of July 26, 2016, in the form of conditional rights to preferred shares.

In this context, during the fiscal year ended on March 31, 2018, Mr. Paul Boudre vested the 44,947 preferred shares resulting from his conditional rights. Indeed he satisfied the presence condition and tenure as Chief Executive Officer, applicable to him pursuant to the plan's rules, on the definitive allocation date, i.e. on July 26, 2017.

Under certain conditions of presence and performance, his 44,947 preferred shares will be converted into ordinary shares, once the end of his holding period will occur, i.e. after July 26, 2019.

The conversion ratio will be determined by our Board of Directors based on the following factors:

(i) 50% based on the achievement of objectives on the basis of the average of our Group's consolidated EBITDA levels (as derived from the Group's consolidated financial statements in accordance with IFRS) for the fiscal years 2017-2018 and 2018-2019; and

(ii) 50% based on the achievement of the objectives on the basis of the weighted average of the volumes of the stock market prices of our Company's ordinary share during the 30 trading days following the date of publication of our Group's consolidated financial statements for the last fiscal year ended on March 31, 2019.

These objectives were determined by the Combined Ordinary and Extraordinary Shareholders' General Meeting held on first notice on April 11, 2016 and on second notice on April 29, 2016.

No other compensation item

We specify that Mr. Paul Boudre's duties as a Director did not give right to any other compensation than that received as Chief Executive Officer.

Lastly, Mr. Paul Boudre received no additional compensation or Director's fee from the companies controlled by our Company.

Eighteenth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid or granted to Mr. Thierry Sommelet, Chairman of the Board of Directors up to March 27, 2019, for the fiscal year ended on March 31, 2019

Rules applicable to *ex-post* Say on pay

In accordance with the provisions of Article L. 225-100 of the French Commercial Code resulting from law No. 2016-1691 of December 9, 2016, also known as the Sapin II law, once a General Meeting of a company whose shares are listed on a regulated market has decided on principles and criteria under the conditions set out in Article L. 225-37-2 of the French Commercial Code, it then decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or granted to executive corporate officers (*ex post* say on pay).

In resolution 18, we ask you to approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Thierry Sommelet, Chairman of the Board of Directors up to March 27, 2019 for the fiscal year ended on March 31, 2019.

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional parts making up the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors for fiscal year 2018-2019 were subject to resolution 8 submitted for approval to the Shareholders' General Meeting held on July 26, 2018 (*ex-ante* say on pay).

These principles and criteria were approved beforehand by our Board of Directors at its meeting of June 13, 2018 on the recommendation of the Compensation Committee at its meetings of March 27 and June 12, 2018.

This resolution 8 had been adopted at 66.67% by the shareholders, thus approving the compensation policy of the Chairman of the Board of Directors for the 2018-2019 fiscal year.

Summary of the components of compensation of Mr. Thierry Sommelet for the fiscal year ended on March 31, 2019

Described in paragraph 4.2 of the 2018-2019 Registration Document, **the compensation policy for Mr. Thierry Sommelet for this fiscal year should have comprised the following components:**

- **an annual fixed compensation of €50,000 gross**, payable in one or several times during the fiscal year; and
- **Directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member, namely the Audit and Risks Committee, the Strategic Committee, and the Restricted Strategic Matters Committee**, under the same conditions as the Directors of our Company, other than Paul Boudre (who is not eligible for Directors' fees due to his duties as Chief Executive Officer);

all on a *prorata temporis* basis according to the duration of his positions within the Board of Directors for the fiscal year concerned.

Pursuant to this compensation policy and in consideration for the duration of his term of office during the 2018-2019 fiscal year, **Mr. Thierry Sommelet was eligible to be paid Directors' fees representing a total of €96,621 gross, broken down as follows:**

- **€49,315 gross in respect of his duties as Chairman of the Board of Directors;**
- **€26,000 gross in respect of his attendance at meetings of the Board of Directors; and**
- **€21,306 gross in respect of his attendance at meetings of the Audit and Risks Committee and Strategic Committee.**

However, in agreement with our Board of Directors, Mr. Thierry Sommelet did not receive any compensation in respect of his duties for the fiscal year ended on March 31, 2019, as for the previous fiscal year ended on March 31, 2018.

We invite you to read paragraph 4.2 of this Registration Document setting out the fixed, variable and exceptional components of the total compensation and benefits of any kind allocated to Mr. Thierry Sommelet, Chairman of the Board of Directors up to March 27, 2019, for the fiscal year ended on March 31, 2019 and to approve them.

Nineteenth resolution – Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid or granted to Mr. Éric Meurice, Chairman of the Board of Directors since March 27, 2019, for the fiscal year ended on March 31, 2019

Rules applicable to *ex-post* Say on pay

In accordance with the provisions of Article L. 225-100 of the French Commercial Code resulting from law No. 2016-1691 of December 9, 2016, also known as the Sapin II law, once a General Meeting of a company whose shares are listed on a regulated market has decided on principles and criteria under the conditions set out in Article L. 225-37-2 of the French Commercial Code, it then decides on the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to executive corporate officers.

In resolution 19, we ask you to approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Éric Meurice, Chairman of the Board of Directors since March 27, 2019 for the fiscal year ended on March 31, 2019.

Pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional parts making up the total compensation and benefits of any kind attributable to the Chairman of the Board of Directors for fiscal year 2018-2019 were subject to resolution 8 submitted for approval to the Shareholders' General Meeting held on July 26, 2018 (*ex-ante* say on pay).

These principles and criteria were approved beforehand by our Board of Directors at its meeting of June 13, 2018 on the recommendation of the Compensation Committee at its meetings of March 27 and June 12, 2018.

This resolution 8 had been adopted at 66.67%, thus approving the compensation policy of the Chairman of the Board of Directors for the 2018-2019 fiscal year.

Summary of the components of compensation of Mr. Éric Meurice for the fiscal year ended on March 31, 2019

Described in paragraph 4.2 of this Registration Document, **the compensation policy for Mr. Éric Meurice for the 2018-2019 fiscal year was made up of the following components:**

- **an annual fixed compensation of €50,000 gross**, payable in one or several times during the fiscal year; and
- **Directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member and/or the Chairman, namely the Strategic Committee that he chairs, and the Nomination Committee,** under the same conditions as the Directors of our Company other than Paul Boudre (who is not eligible for Directors' fees due to his duties as Chief Executive Officer);

all on a *prorata temporis* basis according to the duration of his positions within the Board of Directors for the fiscal year concerned.

Pursuant to this compensation policy and in consideration for the duration of his term of office during the 2018-2019 fiscal year, **our Company paid Mr. Éric Meurice a total amount of €40,661 gross in Directors' fees, broken down as follows:**

- **€685 gross in respect of his duties as Chairman of the Board of Directors**;
- **€11,597 gross in respect of his duties as Chairman of the Strategic Committee;**
- **€10,642 gross in respect of his attendance at the meetings of the Board of Directors, and**
- **€17,737 gross in respect of his attendance at the meetings of the Strategic Committee and the Nomination Committee.**

We invite you to read paragraph 4.2 of this Registration Document setting out the fixed, variable and exceptional components of the total compensation and benefits of any kind paid or allocated to Mr. Éric Meurice, Chairman of the Board of Directors since March 27, 2019, for the fiscal year ended March 31, 2019 and to approve them.

Twentieth resolution – Approval of the compensation policy for executive corporate officers for the current fiscal year ending on March 31, 2020

Rules applicable to *ex-ante* Say on pay

Pursuant to Article L. 225-37-2 of the French Commercial Code, **the Board of Directors submits for your approval the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional parts making up the total compensation and benefits of any kind attributable to our Company's executive corporate officers** in return for the performance of their duties during the current fiscal year ending on March 31, 2020 and constituting their compensation policy.

These principles and criteria were **adopted by the Board of Directors at its meeting** on March 27, 2019, upon recommendation of the Compensation Committee having met on March 26, 2019.

We invite you to approve them as they are presented in paragraph 4.2.2 of this Registration Document, and recalled below.

Compensation policy of our Chief Executive Officer, Mr. Paul Boudre for the 2019-2020 fiscal year

Reappointment of Mr. Paul Boudre's terms of office as Director and Chief Executive Officer

As an introductory comment, you are reminded that the terms of office of Mr. Paul Boudre as Director and Chief Executive Officer will both end at the close of your Shareholders' General Meeting convened on July 26, 2019.

On March 28, 2018, in accordance with the recommendation of the Nomination Committee, **our Board of Directors had already decided to submit a resolution for your approval in 2019 to reappoint Mr. Paul Boudre as a Director.** This is resolution 9 presented to your Shareholders' General Meeting.

In addition, at the same meeting of March 28, 2018**, our Directors had unanimously indicated their desire to extend Mr. Paul Boudre's term as Chief Executive Officer beyond his current term. This decision will be implemented during the meeting of the Board of Directors that will be convened immediately after your Shareholders' General Meeting of July 26, 2019**, and will be confirmed by the publication of a press release.

Annual fixed and variable compensation

In respect of his duties as Chief Executive Officer which will be subject to renewal during the meeting of our Board of Directors planned for July 26, 2019, **Mr. Paul Boudre's compensation would be made up of the following components with respect to the current fiscal year 2019-2020:**

(i) **an annual fixed part of €550,000 gross, payable in 12 equal monthly payments during the fiscal year**, it being recalled that this amount was set by our Board of Directors on July 26, 2018 and entered into force on January 1, 2019; and

(ii) **a variable annual part according to the different targets to be allocated after the fiscal year end** and to be paid only after approval by the Shareholders' General Meeting**, which may range between 0% and 165% of the fixed part**, as for the previous fiscal year ended on March 31, 2019.

As was the case for the previous three fiscal years:

- **achievement of the target values** for the objectives approved by our Board of Directors **should give the right to a variable part corresponding to 100% of the fixed part**;
- **achievement of the budgetary commitments would correspond to 90% of the target for the financial criteria**; and
- **exceeding target values of the objectives may be taken into account for up to 150%.**

As for the 2018-2019 fiscal year, **an increase of 10% would be provided in the event of achievement of an additional strategic objective** which could bring the variable part of Mr. Paul Boudre's compensation to **165% of the fixed part**.

The amount of compensation paid would be calculated on a gross basis.

We propose you **to modify the weights of the objective categories to be achieved as follows**:

- **the financial objectives would represent a weight of 65%** of the total objectives used to assess the variable part, compared to 75% previously; and
- **the strategic objectives would represent a weight of 35% compared to 25% previously** and would in particular include 2 criteria linked to corporate social responsability, in accordance with the new recommandations of the AFEP-MEDEF Code.

In summary, the variable part of Mr. Paul Boudre's compensation would be calculated according to achievement of the following objectives, at the end of the 2019-2020 fiscal year:

Objective type and description	Description weight
I. FINANCIAL OBJECTIVES	**65%**
1. **Level of revenue** *(in USD million)*	20%
2. **Level of consolidated EBITDA** *(in absolute value in € million)*	20%
3. **Level of cash** *(in € million)*	25%
II. STRATEGIC OBJECTIVES	**35%**
5 contributions identified as our Group's main growth drivers *including:* • **3 strategic and commercial contributions:** 1. *Executing the* ***FY20 financing plan to*** support the *business plan* 2. ***Adoption of FD-SOI****: determining a roadmap and deploying it on targets* 3. *Achieving key* ***milestones to confirm the long-term strategy*** *including new products.* • **2 CSR** focused **contributions**: 1. *Continue our* ***Group's progress on gender equality*** 2. *Improve the* ***quality of working life of our employees***	*1 out of 5 = 0% achievement* *2 out of 5 = 50% achievement* *3 out of 5 = 90% achievement* *4 out of 5 = 100% achievement* *5 out of 5 = 150% achievement*
III. ADDITIONAL STRATEGIC OBJECTIVE	**INCREASE BY 10% OF THE TOTAL VARIABLE COMPENSATION**

Implementation of a co-investment plan submitted to your Shareholders' General Meeting

In the context of a co-investment plan, which is the subject of resolutions 33 to 35 as discussed below, it is anticipated that Mr. Paul Boudre will be allocated with new free preference shares giving access to the share capital of our Company (the "PS 2").

This free allocation would form part of Mr. Paul Boudre's compensation policy for the current fiscal year 2019-2020.

It would be subject to the subscription by the latter for an amount of PS 2 equal to a third of those allocated free of charge, in the context of a share capital increase reserved for beneficiaries of said co-investment plan of which he would be one.

Each August 1st, from 2020 until 2022 inclusive, a portion of these PS 2 would be definitively vested for Mr. Paul Boudre, subject to him complying with the condition of presence and tenure of his duties as Chief Executive Officer.

The PS 2 would be convertible into ordinary shares in our Company, subject to the fulfillment of performance conditions based on the achievement of targets relating to EBITDA, revenue and the total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index.

These stringent performance conditions, to be assessed over a period of three years, were set by the Board of Directors at its meeting held on June 12, 2019.

They are set out in greater detail below in the context of the presentation of resolution 33.

Elements of additional compensation

Mr. Paul Boudre would benefit from **benefits in kind** including in particular a **company car and a voluntary insurance policy against employment loss** as well as **supplementary retirement schemes** of the same type as those in place during the previous fiscal year 2018-2019.

His duties as Director would not give right to any additional compensation in addition to that received in respect of his duties as Chief Executive Officer.

Similarly, **Mr. Paul Boudre would receive no additional compensation or Director's fee from the companies controlled by our Company.**

Compensation policy of our Chairman of the Board of Directors, Mr. Éric Meurice, for the current 2019-2020 fiscal year

In his capacity as Chairman of the Board of Directors, **Mr. Éric Meurice would receive gross fixed annual compensation amounting to €50,000,** payable in one or more installments during the fiscal year.

Furthermore, he would be **eligible for the payment of Directors' fees for attending meetings of the Board of Directors and the Committees of which he is a member/the Chairman**, under the same conditions as the Directors of the Company other than Paul Boudre (who is not eligible for Directors' fees due to his duties as Chief Executive Officer).

We recall you that **during its meeting of March 27, 2019, our Board of Directors redefined the allocation rules for Directors' fees to be paid to our Directors.**

This decision followed the adoption by our Shareholders on July 26, 2018 of a **resolution proposing to increase to €720,000 the overall annual amount of Directors' fees** allocated to the Board of Directors **from the fiscal year beginning on April 1, 2018** (resolution 22 of the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018).

Given the current positions of Mr. Éric Meurice and considering an attendance rate of 100% for the 2019-2020 fiscal year, his total compensation would comprise the following components:

Type of compensation and related duties	Amount (gross)
Chair of the Board of Directors Annual fixed compensation	€50,000
Member of the Board of Directors Directors' fees	€26,000
Chair of the Strategic Committee Directors' fees	€17,000
Member of the Strategic Committee Directors' fees	€13,000
Member of the Nomination Committee Directors' fees	€13,000
Member of the Restricted Strategic Matters Committee Directors' fees	N/A
TOTAL	**€119,000**

For the sake of clarity, please note that should **Mr. Éric Meurice take other positions within the Committees of our Board of Directors during the current 2019-2020 fiscal year, his compensation would be adjusted as a result**, in accordance with the currently applicable allocation rules for Directors' fees set on March 27, 2019.

Compensation policy for all other executive corporate officers potentially appointed during the current 2019-2020 fiscal year

If our Company were to appoint another executive corporate officer during the current 2019-2020 fiscal year, such as a Chief Operating Officer, for example, his/her compensation policy could be set based on the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional components similar to those comprising the total compensation and benefits of any kind attributable to Mr. Paul Boudre for the exercise of his duties as Chief Executive Officer for the fiscal year ending March 31, 2020 as presented above.

Ex-post say-on-pay on the compensation of our executive corporate officers for the 2019-2020 fiscal year

Pursuant to Article L. 225-100 II. of the French Commercial Code, **the amounts resulting from the implementation of these principles and criteria indicated above**, comprising the compensation policy for our executive corporate officers for the current fiscal year ending March 31, 2020, **will be submitted to the shareholders for approval at the Shareholders' General Meeting to be held in 2020** to approve the financial statements for the said fiscal year.

Furthermore, in accordance with Article L. 225-37-2 of the French Commercial Code, **payment of variable and exceptional compensation to executive corporate officers will be subject to approval by our shareholders** of the compensation of the person concerned, under the conditions provided for in Article L. 225-100 of said Code.

Twenty-first resolution – Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares

During the Shareholders' General meeting of July 26, 2018, under resolution 9, our shareholders authorized our Board of Directors, to acquire shares in our Company, on one or more occasions, during periods determined by it, up to 2% of our share capital, at any time whatsoever.

The main terms and conditions of the share buyback program approved by the Shareholders' General Meeting of July 26, 2018 can be found in paragraph 7.2.2.3 of the 2018-2019 Registration Document.

Between April 1, 2018 and June 12, 2019 (the date this Registration Document was approved), the Company carried out no transactions on its own shares.

As a result, our current share repurchase program has not been used.

Within the framework of this Shareholders' General Meeting, you are asked to **grant a new authorization to the Board of Directors**, in accordance with Article L. 225-209 of the French Commercial Code, **for a period expiring on the date of the Shareholders' General Meeting that will be convened to approve the financial statements for the fiscal year ending March 31, 2020, which would cancel and supersede the same type of authorization granted in 2018.**

This new **share repurchase program shall be for the purposes of:**

- **ensuring liquidity and making a market on the secondary share market** of our Company through an investment service provider acting independently within the framework of a liquidity agreement which complies with the market practice accepted by the French *Autorité des marchés financiers* (as amended where appropriate); or
- **the allocation or sale of shares to employees** to allow them to participate in the benefits of Company's expansion or for the implementation of company or group savings plans (or similar plans) under the conditions provided for by law, and notably Articles L. 3332-1 *et seq.* of the French Labor Code; or
- **the allocation of free shares** under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- in general, **meeting obligations related to share option programs or other share allocations to employees or corporate officers** of the issuer or of a related company; or
- **the retention and deferred award of shares (in exchange, as payment or other) for external growth operations**, on the understanding that the maximum amount of shares acquired with a view to their retention and subsequent award as payment or in exchange for merger, demerger or capital contribution transactions may not exceed 5% of the capital; or
- **hedging securities giving rights to the allocation of shares** of our Company upon exercise of rights attached to securities giving the right through redemption, conversion, exchange, presentation of warrants, or any other means to the allocation of shares of our Company; or
- subject to adoption of the 36th resolution, **subsequently canceling**, in whole or in part, **the shares thus bought back** in under the conditions pursuant to Article L. 225-209 of the French Commercial Code.

This program would also be designed to **allow the implementation of all market practices** accepted or that may be accepted by the market authorities, and more generally, the completion of transactions for any other purpose permitted or subsequently to be permitted by applicable laws and regulations, subject to notification of the Company's shareholders.

The number of shares that may be acquired during the share buyback program may not exceed 5% of our share capital at each buyback date. This ceiling would apply to the adjusted share capital based on transactions having an impact thereupon following your Shareholders' General Meeting.

This maximum number of shares would amount to 1,569,051 shares, calculated on the basis of the share capital as of June 12, 2019, with a total value of €62,762,070.50.

Regarding the particular case of shares repurchased under a liquidity contract, the number of shares taken into account for the calculation of the 5% limit corresponds to the number of shares purchased, less the shares resold during the period of the authorization.

The number of shares which would be acquired to be retained and subsequently delivered as part of a merger, demerger or contribution transaction may not exceed 5% of its share capital.

The number of shares held by our Company at any time should not exceed 10% of our share capital. This percentage would apply to capital adjusted for transactions that may occur after the Shareholders' General Meeting convened on July 26, 2019.

The maximum purchase price would be set at €150 p**er share**. In the event of a capital transaction, this amount would be adjusted in the same proportions.

Consequently, **we propose to set the overall maximum amount that would be allocated to the said program at €235,357,650.**

The purchase of shares may be made on one or more occasions, by any means, on a regulated market, a multilateral trading facility, from a systematic internalizer or by mutual agreement, including by public offer or transactions for blocks of shares (which may represent the entire program).

Our Company does not intend to use derivatives.

These transactions may be performed at any time, pursuant to the statutory provisions in force, excluding during public offerings of our Company securities.

Lastly, you are asked to grant all powers to our Board of Directors, with ability to sub-delegate, to implement this authorization, enter into any agreement, carry out any formality, and file any declaration with any agency, and more generally, do all that is necessary.

III. EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

Please note that a table summarizing the financial delegations and authorizations which your Shareholders' General Meeting is being asked to grant is set out in section 8.2.3 above.

FINANCIAL RESOLUTIONS (22 TO 31): RENEWAL OF EXISTING AUTHORIZATIONS

In order to have available the appropriate resources for our Group's development, we are asking you to **approve resolutions whose purpose is to grant our Board of Directors authorizations or delegations of authority or powers which would give it the means to implement various types of share or securities issue (resolutions 22 to 30)**.

These resolutions aim to **provide our Board of Directors with the most extensive flexibility to be able to take advantage of any potential financing opportunities.**

According to market conditions, the type of investors concerned by the issue and the type of shares issued, it may be preferable, or even necessary, to cancel shareholders' preferential subscription rights. This would provide our Board of Directors with the option of carrying our placements of (equity) shares under optimal conditions, and of thereby obtaining **a higher level of equity**. Furthermore, the cancellation of the preferential subscription rights would increase the speed of the transactions, which is sometimes an **essential condition for their success.**

We will also submit for your approval a resolution enabling our Company to allow its employees and officers to benefit from its success by allowing it to carry out **an increase of the share capital reserved for employees who are members of a company savings plan (resolution 31).**

These resolutions 22 to 31 involve renewing the delegations of authority and powers granted by you in 2018 in order to carry out share capital increases by issuing ordinary shares and/or any securities of any kind giving access by whatever means, immediately and/or in the future, at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, **to the share capital of our Company.**

The authorization ceilings and delegations granted by you in 2018 would remain unchanged.

Therefore, according to the terms of resolution 22, the maximum nominal value of those share capital increases that may be completed on the basis of resolutions 22 to 31 may not exceed an overall ceiling of €30 million in nominal value.

As of June 12, 2019, this overall ceiling represents approximately 47.80% of our share capital.

Within this overall ceiling of €30 million, you are requested to establish **a sub-ceiling set at €6 million in nominal value for transactions involving a cancellation of shareholders' preferential subscription rights (resolution 23).**

As of June 12, 2019, this sub-ceiling represents approximately 9.56% of our share capital.

This sub-ceiling would be common to resolutions 23 to 30, with the exception of resolution 29 which would not be affected by this.

This would be deducted from the overall ceiling of €30 million.

To these ceilings of €30 million and €6 million would be added the nominal value of any share capital increases on the basis of the ordinary shares that may be issued in addition, on the basis of adjustments intended to take into account the impact of transactions on our Company's share capital and completed to protect the rights of holders of securities and other rights giving access to the share capital of our Company.

Moreover, **the maximum nominal amount of the debt securities or related (equity) shares, giving access to our Company's capital, that may be issued pursuant to resolutions 22 to 31** (with the exception of resolution 29 which would not be affected) **may not exceed the ceiling of €300 million.**

This limit would be increased, where appropriate, **by any redemption premium in excess of the par value.**

In addition, this **€300 million** ceiling would be independent from the value of any debt securities that may be issued as a result of the use of the other resolutions submitted for approval by our shareholders and debt securities that may be issued or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Our Board of Directors would not, except by prior authorization from shareholders, **be able to make use of these delegations with effect from the time of filing by a third party of a public offer for our Company's (equity) shares**, until the end of the offer period (except for resolution 31).

These authorizations and delegations would **be granted with the right to sub-delegate**.

They would each be valid **for a period of 26 months** as from the date of your Shareholders' General Meeting, **with the exception of resolution 25 for which the period would be 18 months.** They would respectively cancel and supersede any authorization or delegation granted by the resolutions of the same nature adopted on July 26, 2018.

Should our Board of Directors use the authorizations and/or delegations granted thereto pursuant to the terms of resolutions 22 to 31**, it must establish the additional report or reports required by law and give an account thereof to the shareholders at the next Shareholders' General Meeting**, in accordance with the applicable laws and regulations in force.

FREE SHARES ALLOCATION PLANS (32): RENEWAL OF THE EXISTING AUTHORIZATION TO GRANT FREE SHARES

During the Ordinary and Extraordinary Shareholders' General Meeting held on March 23, 2018, our Board of Directors received the authorization, for a period of 24 months, to put in place plans for the allocation of free shares in favor of our employees and corporate officers, up to a limit of 5% of our share capital as acknowledged on the date of the allocation decision (of which 20% was for corporate officers).

Resolution 32 aims to replace this authorization granted on March 23, 2018 by a new authorization of the same kind in and for a period of 38 months which would begin as of the Shareholders' General Meeting.

IMPLEMENTATION OF A CO-INVESTMENT PROGRAM WITH ALLOCATION OF FREE PREFERRED SHARES (PS 2) AND RESERVED ISSUE OF PS 2 (33, 34 AND 35)

In order to allow the implementation of a co-investment program unanimously authorized by the Board of Directors on June 12, 2019, through the allocation of free preferred shares (PS 2) and reserved issue of PS 2, we propose you:

- to authorize, by the adoption of resolution 33, the creation of a new category of preferred shares convertible into ordinary shares (PS 2) depending on the achievement of targets based on EBITDA, revenues and Total Shareholder Return (TSR) performance of the ordinary share of our Company, compared to the evolution of the Euro Stoxx 600 Technology index. The capital increase resulting from the conversion of the PS 2 into ordinary shares at the end of the plan would be capped to a number of ordinary shares that should not exceed 3.75% of the share capital of our Company as of the date of your Shareholders' General Meeting of July 26, 2019, increased by the ordinary shares resulting from (i) the on-going free shares allocation plans as of this date, (ii) the conversion of the preferred shares resulting from the free preferred shares allocation plan date July 26, 2016 (the "PS 1") and (iii) the conversion of the PS 2;
- to authorize our Board of Directors, by the adoption of resolution 34, to grant PS 2 for free to employees and/or executive corporate officers of our Company and/or of companies or groups that are linked to it. The final vesting would occur under presence condition at the end of three vesting periods of respectively 1-year, 2-year and 3-year durations;
- to grant our Board of Directors, by the adoption of the resolution 35, with a delegation of authority to increase our share capital by issue of PS 2, without the preferential subscription rights of our shareholders and reserved to employees and/or executive corporate officers of our Company or of companies or groups that are linked to it.

CANCELLATION OF TREASURY SHARES (36): RENEWAL OF THE EXISTING AUTHORIZATION

By virtue of **resolution 36**, to enable the pursuit of all of the objectives set our Company's share repurchase program, our shareholders are asked to renew the resolution allowing the Company **to cancel its treasury shares up to 10% of the share capital over a period of 24 months** and to proceed with the corresponding reductions in the share capital.

This authorization would be valid **until the day of the Shareholders' General Meeting called in 2020 to approve the financial statements for the year ending March 31, 2020.**

In addition, it would have the effect of **voiding the authorization granted by resolution 20 of the same type adopted on July 26, 2018.**

POWERS FOR FORMALITIES (37)

Finally, **resolution 37 is intended to grant all powers** to bearers of an original or copy of, or extract from, the minutes of our Shareholders' General Meeting **so as to complete all procedures** required by law and/or regulations in force.

Twenty-second resolution – Delegation of authority to be granted to the Board of Directors, for the purpose of proceeding with an increase in the Company's share capital by way of the issuance of shares and/or securities giving access to the Company's share capital, immediately or in the future, with preferential subscription rights retained

Grounds for the possible use of the resolution

In the context of resolution 22, you are requested to grant our Board of Directors a **new delegation of authority to increase our share capital with shareholders' preferential subscription rights retained**, to be exercised in direct proportion to their rights and within the limit of the applications made.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 10 adopted on July 26, 2018**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, in France and/or abroad, against payment or free of charge**, ordinary (equity) shares and/or securities giving immediate or future access** at any time or on a fixed date *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to the **share capital of our Company** (including shares giving the right to the allocation of debt securities).

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

The issue(s) would be reserved by preference for Company shareholders who would have a subscription in direct proportion to the number of shares held thereby.

Nevertheless, you would grant our Board of Directors **the power to grant shareholders the right to subscribe to shares or securities in excess of the number of shares to which they are entitled as of right, proportionally to their subscription rights**, and in any event, within the limit of their request.

In this context, if the subscriptions as of right and, where appropriate, excess subscriptions, do not cover the entire amount of the shares or securities issued as defined above, our Board of Directors may exercise, as provided by law, and in the order of its choosing, one and/or any of the following options:

- to freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- to offer to the public all or part of the non-subscribed securities, on the French market and/or internationally; and/or
- to limit the capital increase to the amount of subscriptions, subject to the condition, in the event of the issue of shares or securities whose main security is a share, of this reaching at least three-quarters of the agreed issue after use of the two rights indicated above, where appropriate.

We also propose that you decide that **issues of share purchase warrants by our Company may be completed *via* subscription offer and also via the allocation of free shares to shareholders**. In this context, our Board of Directors would have the option to decide that rights forming fractional shares would not be negotiable and that the corresponding (equity) shares would be sold in accordance with the applicable laws and regulations.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law.

The final terms of the transaction(s) carried out under this delegation will be subject to an additional report compliant with the provisions of Article L. 225-129-5 of the French Commercial Code, and drawn up by our Board of Directors when it decides to use the present delegation.

Should our Board of Directors decide to exercise its right to sub-delegate in accordance with the provisions of Article L. 225-129-4 of the French Commercial Code, our Chief Executive Officer would report thereto on the use made of the power to decide the capital increase(s) and draw up, upon using this sub-delegation, the additional report required by Article L. 225-129-5 of the French Commercial Code.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Ceiling

The maximum nominal value of the share capital increases that may be completed pursuant to this resolution 22 may not **exceed the nominal ceiling of €30 million**.

This ceiling would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

This ceiling of €30 million would be jointly applicable to all share capital increases that may be completed on the basis of this resolution 22 and of resolutions 23 to 31.

The maximum nominal amount of the debt securities or related securities giving access to our Company's capital that may be issued pursuant to this resolution 22 could not exceed the ceiling of €300 million or the equivalent of this figure.

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value**.

Please note that this ceiling of €300 million would be jointly applicable to any debt securities or related securities giving access to our Company's capital that may be issued on the basis of this resolution 22 and of resolutions 23 to 31 (other than resolution 29 which would not be affected by this).

It would, in addition, be independent from the value of any debt securities potentially issued as a result of the use of the other resolutions submitted to your Shareholders' General Meeting and any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Twenty-third resolution – Delegation of authority to be granted to the Board of Directors, for the purpose of proceeding with an increase in the Company's capital by way of the issuance, with the cancellation of preferential subscription rights, of shares and/or securities giving access to the Company's share capital, immediately or in the future, through a public offer

Grounds for the possible use of the resolution

In the context of resolution 23, you are requested to grant our Board of Directors a **new delegation of authority to increase our share capital with shareholders' preferential subscription rights canceled**.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 11 adopted on July 26, 2018.**

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, **in France and/or abroad, against payment or free of charge, ordinary shares and/or securities giving immediate or future access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to the **share capital of our Company** (including (equity) shares giving the right to the allocation of debt securities).

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

Issues would be completed *via* offering for sale to the public.

Furthermore, they **could be carried out together with an offer or offers as per II of Article L. 411-2 of the French Monetary and Financial Code** completed on the basis of the resolution 24.

Shareholders' preferential subscription rights to those shares and/or securities that may be issued based on the basis of this delegation would be canceled.

In this context, **our Board of Directors could establish in favor of shareholders a priority time frame for subscription**, not leading to the creation of negotiable rights, for all or part of the issue completed in the context of this resolution, and for a term to be set thereby in accordance with the law and with regulations. This subscription right would be exercised in direct proportion to the number of shares held by each shareholder and could potentially be completed by an excess subscription right.

If the subscriptions do not absorb the total issuance of shares or securities, our Board of Directors may exercise one and/or other of the following options:

- limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- freely distribute all or part of the non-subscribed securities between the individuals of its choice;
- offer to the public all or part of the non-subscribed securities, on the French market and/or internationally.

In addition, **this delegation would, to the benefit of holders of any securities** giving access to shares that may be issued pursuant to this resolution, **automatically result in the waiver by shareholders of their preferential right to subscribe** to the new shares thereby created by these securities.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and the statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Our **Board of Directors would not,** except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Price

The **issue price** of the ordinary shares to be issued pursuant to this resolution or to which securities to be issued pursuant to this resolution may grant entitlement would be **at least equal to the minimum price authorized by law and by regulations that apply on the date of the issue.**

Please note that, as of the date hereof, the minimum authorized price is the **weighted average of the price of the last three stock market trading sessions preceding the determination thereof less a discount of 5%.**

Moreover**, the issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, **at least equal to the minimum price defined above**.

Ceilings

The **maximum nominal amount of capital** increases that may be carried out immediately or in the future based on this resolution 23 may not exceed **the ceiling of €6 million** in nominal value, or the equivalent of this amount in another currency.

Please note that this **ceiling of €6 million would be jointly applicable to all share capital** increases that may be completed, immediately or in the future, on the basis of those shares potentially issued pursuant to this resolution 23 and to resolutions 24 to 30 (other than resolution 29 which would not be affected by this).

This amount of €6 million in nominal value would be deducted from the amount of overall nominal ceiling of €30 million defined in 3.a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

The maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this resolution 23 may not exceed the ceiling of €300 million or the equivalent of this figure.

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value**.

Please note that this figure of €300 million would be deducted from the overall ceiling of €300 million described in part 3. b. of resolution 22.

It would, in addition, be independent from the value of any debt securities potentially issued as a result of the use of the other resolutions submitted to your Shareholders' General Meeting and any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraphA3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Twenty-fourth resolution – Delegation of authority to be granted to the Board of Directors in order to issue, by an offer set out at Article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving access, immediately or in the future, to the Company's share capital, without shareholders' preferential subscription rights

Grounds for the possible use of the resolution

In the context of resolution 24, we are asking you to grant our Board of Directors a **new delegation of authority in order to increase our share capital, with the cancellation of shareholders' preferential subscription rights, in the context of the offers described in part II of Article L. 411-2 of the French Monetary and Financial Code, also known as "private placements".**

Term

Granted for a period of **26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 13 adopted on July 26, 2018.**

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in France and/or abroad**, in the context of the offers described in part II of Article L. 411-2 of the French Monetary and Financial Code**, in euros, foreign currencies, or in any unit established based on a basket of currencies, against payment or free of charge, **ordinary shares and/or securities giving immediate or future access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to the **share capital of our Company** (including (equity) shares giving the right to the allocation of debt securities).

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

If the subscriptions do not absorb the total issuance, our Board of Directors may limit the transaction's amount to the amount of subscriptions received, provided (for issues of shares or securities having shares as their underlying) that they reach at least three-quarters of the issued agreed.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and the statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Our **Board of Directors would not,** except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Price

The **issue price** of the ordinary shares to be issued pursuant to this resolution or to which securities to be issued pursuant to this resolution may grant entitlement would be **at least equal to the minimum price authorized by law and by regulations that apply on the date of the issue.**

Please note that, as of the date hereof, the minimum authorized price is the **weighted average of the price of the last 3 stock market trading sessions preceding the determination thereof minus a discount of 5%.**

Moreover, **the issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, **at least equal to the minimum price defined above.**

Ceilings

The **maximum nominal amount of capital increases** that may be carried out immediately or in the future based on this resolution 24 may not, within those limits imposed by the regulations applicable on the date of the issue, exceed the nominal **ceiling of €6 million**, or the equivalent of this amount in another currency.

As an illustration, as of the date hereof, **the issue of equity capital securities completed *via* an offer covered by Article L. 411-2 II of the French Monetary and Financial Code is capped at 20% of the share capital per year**.

Please note that this ceiling of **€6 million would be deducted**:

- **from the shared ceiling of €6 million** in nominal value referred to in 3. a. (i) of resolution 23; and
- **from the overall ceiling of €30 million** in nominal value referred to in 3. a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

The maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this resolution 24 may not exceed the ceiling of €300 million or the equivalent of this figure.

This **ceiling would**, where appropriate, **be increased by any redemption premium in excess of the par value.**

Please note that this figure of €300 million would be deducted from the overall ceiling of €300 million described in part 3. b. of resolution 22.

It would, in addition, be independent from the value of any debt securities potentially issued as a result of the use of the other resolutions submitted to your Shareholders' General Meeting and any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Twenty-fifth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of issuing shares and/or securities giving access, immediately or in the future, to the Company's share capital, with the cancellation of shareholders' preferential subscription rights in favor of persons meeting defined requirements

Grounds for the possible use of the resolution

In the context of this resolution 25, you are being asked to grant our Board of Directors a **new delegation of authority to increase our share capital with the cancellation of shareholders' preferential subscription rights, for the benefit of those meeting the following criteria:** financial institutions or French or foreign investment funds focused on providing support in the medium term to growth companies in the technology sector.

Term

Unlike the others, this delegation of authority would be granted for a period of 18 months with effect from the date of your Shareholders' General Meeting**. Like the others, it would cancel and supersede the delegation of authority granted by resolution 12 adopted on July 26, 2018**.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, against payment or free of charge, in France and/or abroad, **ordinary shares and/or securities giving immediate or future access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant, or in any other manner, to the **share capital of our Company** (including shares giving the right to the allocation of debt securities), reserved for financial institutions or French or foreign investment funds focused on providing support in the medium term to growth companies in the technology sector.

Payment for these shares and/or other securities may be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

Our Board of Directors would have **authority to define the precise list of beneficiaries of the cancellation of preferential subscription rights and the number of shares and/or securities to be allocated to each such one.**

This **delegation would automatically lead to the waiver by shareholders, in favor of said beneficiaries, of their preferential subscription** right relating to the new shares to which entitlement would be granted by the securities that may be issued by virtue of this resolution.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, **the supplementary reports required by law would be drawn up by our Board of Directors and the statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Our **Board of Directors would not,** except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Price

The **issue price** of the ordinary shares to be issued or to which the securities to be issued in application of this resolution would grant entitlement **would be equal to:**

- **the last closing price preceding the setting of the price with a maximum discount of 5%; or**
- **the average volume-weighted share price on the market, on the trading day on which the issue price is set, with a maximum discount of 5%.**

Moreover, **the issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, **at least equal to the price determined by our Board of Directors from those defined above.**

Ceilings

The **maximum nominal amount of capital increases** that may be carried out immediately or in the future based on this resolution 25 may not, within those limits imposed by the regulations applicable on the date of the issue, **exceed the nominal ceiling of €6 million**, or the equivalent of this amount in another currency.

Please note that this **ceiling of €6 million would be deducted**:

- **from the shared ceiling of €6 million** in nominal value referred to in 3. a. (i) of resolution 23, and
- **from the overall ceiling of €30 million** in nominal value referred to in 3. a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this** resolution 25 **may not exceed the ceiling of €300 million** or the equivalent of this figure.

This **ceiling would**, where appropriate, **be increased by any redemption premium in excess of the par value**.

Please note that this figure of €300 million would be deducted from the overall ceiling of €300 million described in part 3. b. of resolution 22.

It would, in addition, be independent from the value of any debt securities that may be issued as a result of the use of the other resolutions submitted to your Shareholders' General Meeting and any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Twenty-sixth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights, within the limit of 15% of the initial issuance

Grounds for the possible use of the resolution

If an issue decided on the basis of resolutions 22 to 25 were to be the subject of applications in excess of the amount offered, we suggest that you authorize our Board of Directors **to increase the number of (equity) shares to be issued**, in accordance with the provisions of Article L. 225-135-1 of the French Commercial Code.

Also known as a Greenshoe, this over-allocation option would state that the additional issue would have to be completed within 30 days following the close of the subscription period.

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 14 adopted on July 26, 2018.**

Detailed implementation conditions

Furthermore, **it would be completed within the limit**:

- **of the ceiling or ceilings defined by the applicable resolutions; and**
- **of a maximum of 15% of the initial issue, and at the same price as that applied to the initial issue.**

Our Board of Directors would have all powers, with the right to sub-delegate, to implement this delegation of authority.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and the statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Twenty-seventh resolution – Authorization to be granted to the Board of Directors in the event of an issuance without preferential subscription rights of shares and/or securities giving access, immediately or in the future, to the Company's share capital, for the purpose of setting the issue price within the limit of 10% of the Company's share capital according to the terms and conditions approved by the Shareholders' General Meeting

Grounds for the possible use of the resolution

Also known as "free price resolution" resolution 27, asks you to grant a **new authorization in favor of our Board of Directors, which would enable it approve the methods to be used on an exceptional basis for the setting of the issue price.**

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this authorization would have the effect of **voiding that granted by resolution 15 adopted on July 26, 2018**.

Detailed implementation conditions

Our Board of Directors would have all powers, with the right to sub-delegate, to implement this authorization.

In accordance with Article L. 225-126 (1) of the French Commercial Code, in the event of the use of this authorization, **our Board of Directors would have to produce an additional report**, certified by our statutory auditors, **describing the final conditions applicable to the transaction and providing elements for the assessment of the actual impact on the situation of our shareholders.**

All other **supplementary reports required by law would be produced by our Board of Directors and our statutory auditors respectively, and presented at your next Shareholders' General Meeting.**

Price

In application of this measure, **our Board of Directors would be authorized, in the event of an issue without preferential subscription rights**, of ordinary shares and/or securities, **by virtue of resolutions 23** (share capital increases, *via* any securities, without preferential subscription rights, *via* offering to the public) **and 24** (private placements), **to agree an exception to the price conditions stipulated by these resolutions and to set the issue price in such a way as to correspond either:**

- **to the last closing price preceding the setting of the price with a maximum discount of 5%; or**
- **to the average volume-weighted share price on the market, on the trading day on which the issue price is set, with a maximum discount of 5%.**

Moreover, **the issue price of the securities giving access to the capital and the number of shares to which each security may potentially grant entitlement would be such that the amount immediately received by our Company** (increased, where appropriate, by any amount received subsequently) is, for each share issued as a result of the issue of these securities, **at least equal to the price determined by our Board of Directors from those defined above.**

Ceilings

This authorization would be valid up to **the limit of 10% of our share capital per period of 12 months.**

This 10% limit **would apply to the adjusted share capital** based on transactions having an impact thereupon following your Shareholders' General Meeting.

On the date of each share capital increase, the total number of shares issued in application of this resolution over the 12-month period preceding said share capital increase, including any shares issued by virtue of said share capital increase, shall not exceed 10% of the shares comprising our share capital as of such date.

Twenty-eighth resolution – Delegation of powers to be granted to the Board of Directors for the purpose of proceeding with the increase of the Company's share capital in compensation for capital contributions in kind consisting of capital securities or securities giving access to the Company's share capital

Grounds for the possible use of the resolution

In the context of resolution 28, we are asking you to grant our Board of Directors a **new delegation of powers in view of the issue of shares or securities giving access to our share capital, up to a limit of 10% of the total, in view of providing compensation for contributions in kind consisting of capital securities or marketable securities granted to our Company.**

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, **this delegation would have the effect of voiding the delegation granted by resolution 16 adopted on July 26, 2018.**

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, against payment or free of charge, in France and/or abroad **ordinary shares and/or securities giving immediate or future access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, **to the share capital of our Company** (including (equity) shares giving the right to the allocation of debt securities), **as compensation for any contributions in kind consisting of capital securities or securities granted to our Company**, where the conditions of Article L. 225-148 of the French Commercial Code are not applicable.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed there with in accordance with the detailed methods determined thereby in accordance with the law.

In accordance with the provisions of Article L. 225-147 of the same Code, **the Board would vote on the report by the statutory auditor(s).**

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and the statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Our Board of Directors would not, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Ceilings

The **maximum nominal amount of capital** increases that may be carried out immediately or in the future based on this resolution 28 may not, within those limits imposed by the regulations applicable on the date of the issue, exceed the nominal **ceiling of €6 million**, or the equivalent of this amount in another currency.

Please note that this **ceiling of 6 million would be deducted**:

- **from the shared ceiling of €6 million** in nominal value referred to in 3. a. (i) of resolution 23; and
- **from the overall ceiling of €30 million** in nominal value referred to in 3. a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

In any event, **the issues completed pursuant to this delegation of authority could not exceed 10% of the share capital, as it exists on the date of our Board of Directors' implementation decision.**

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this resolution 28 may not exceed the ceiling of €300 million or the equivalent of this figure.**

This ceiling would, where appropriate**, be increased by any redemption premium in excess of the par value**.

Please note that this figure of €300 million would be deducted from the overall ceiling of €300 million described in part 3. b. of resolution 22.

It would, in addition, be independent from the value of any debt securities that may be issued as a result of the use of the other resolutions submitted to your Shareholders' General Meeting and any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Twenty-ninth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized

Grounds for the possible use of the resolution

In the context of resolution 29, we are asking you to grant a **new delegation of authority to our Board of Directors for the purpose of increasing our share capital by the successive or simultaneous incorporation of all premiums, reserves, profits, or any other funds that may be capitalized.**

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 17 adopted on July 26, 2018.**

Detailed implementation conditions

In application of this measure, our Board of Directors would have authority in order to proceed with **an increase of our share capital,** on one or more occasions, in the proportion and at the times of its choice, ***via* the successive or simultaneous incorporation of all premiums, reserves, profits, or any other funds that may be capitalized**.

Such **capital increases would be in the form of the issue of free shares or *via* an increase in the par value of existing shares, or a combination of these two methods.**

In the event of a capital increase *via* the allocation of free shares, any rights leading to the creation of fractional share would not be admissible. The corresponding securities would be sold, it being stipulated that all amounts generated by the sale would be allocated to holders of rights under the conditions defined by law.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, **the supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Our **Board of Directors would not**, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Ceilings

The **maximum amount of capital increases** that may be carried out immediately or in the future by virtue of this resolution 29 may not exceed the total amount of funds that may be incorporated or a nominal €30 million ceiling, or the equivalent of this amount in another currency.

This nominal amount of €30 million would be deducted from the amount of overall nominal ceiling of €30 million defined in 3.a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

In the event of a capital increase *via* the allocation of free shares, any rights leading to the creation of fractional share would not be admissible. The corresponding securities would be sold, it being stipulated that all amounts generated by the sale would be allocated to holders of rights under the conditions defined by law.

Thirtieth resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital by the issuance of shares or securities giving access, immediately or in the future, to the Company's share capital in compensation for (equity) shares contributed as part of a public exchange offer initiated by the Company

Grounds for the possible use of the resolution

In the context of resolution 30, we are asking you to grant your Board of Directors a **new delegation of authority for the purpose of an increase of our share capital in compensation for any (equity) shares contributed as part of a public exchange offer (PEO) initiated by our Company.**

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 18 adopted on July 26, 2018.**

Detailed implementation conditions

Under this mechanism, our Board of Directors would have the authority to **decide** on the issue, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, **of ordinary shares and/or securities giving** immediate or future **access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, **to the share capital of our Company**, against payment or free of charge, **as compensation for any shares that could be contributed in the context of a PEO launched in France or abroad**, in accordance with the local rules, **by our Company for its shares or the shares of any other company admitted to trading on one of the regulated markets** described in Article L. 225-148 of the French Commercial Code.

This delegation would be valid for any other transaction having the same effect as a public exchange offer initiated by the Company for its own (equity) shares or the (equity) shares of another company whose shares are admitted for trading on a regulated market governed by foreign law, or which may be assimilated therewith.

Our shareholders would not have a preferential subscription right to any shares and/or securities that may be issued pursuant to this delegation. **These would in fact be intended solely to provide compensation for any (equity) shares contributed to a PEO initiated by our Company.**

Our Board of Directors would have all powers, **with the right to sub-delegate** in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Our **Board of Directors would not**, except by obtaining prior authorization from shareholders, **be able to make use of this delegation with effect from the time of filing by a third party of a public offer** for our Company's (equity) shares, until the end of the offer period.

Price

The price of the shares and/or securities potentially issued under this delegation **would be set in accordance with the laws governing PEOs.**

Ceilings

The maximum nominal amount of capital increases that may be carried out immediately or in the future based on this resolution 30 may not, within those limits imposed by the regulations applicable on the date of the issue, exceed the nominal **ceiling of €6 million**, or the equivalent of this amount in another currency.

Please note that **this ceiling of €6 million would be deducted**:

- **from the shared ceiling of €6 million** in nominal value referred to in 3. a. (i) of resolution 23; and
- **from the overall ceiling of €30 million** in nominal value referred to in 3. a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this resolution 30 may not exceed the ceiling of €300 million or the equivalent of this figure.**

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value.**

Please note that this figure of €300 million would be deducted from the overall ceiling of €300 million described in part 3. b. of resolution 22.

It would, in addition, be independent from the value of any debt securities that may be issued as a result of the use of the other resolutions submitted to your Shareholders' General Meeting and any debt securities issued as decided or authorized by our Board of Directors in accordance with Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code.

Thirty-first resolution – Delegation of authority to be granted to the Board of Directors for the purpose of proceeding with an increase of the share capital through the issue of shares or securities giving access to the share capital reserved for members of savings plans with waiver of preferential subscription rights in their favor

Grounds for the possible use of the resolution

In the context of resolution 31, you are requested to grant our Board of Directors **a new delegation of authority to increase our share capital in favor of members of employee savings plans (ESPP).**

Term

Granted for a **period of 26 months** with effect as from the date of your Shareholders' General Meeting, this delegation would have the effect of **voiding the delegation granted by resolution 19 adopted on July 26, 2018.**

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to **decide on an increase in our share capital**, on one or more occasions, in the proportion and at the times that it decides, in euros, foreign currencies or in any other account unit established based on a basket of currencies, *via* the issue, against payment or free of charge, in France and/or abroad, of **shares and/or securities giving immediate or future access** at any time or on a fixed date, *via* subscription, conversion, exchange, redemption, presentation of a warrant or in any other manner, **to the share capital of our Company** (including shares giving the right to the allocation of debt securities**), reserved for members of any ESPP that may be put in place within our Group.**

Our shareholders' preferential subscription rights would therefore be canceled.

In **the event of the allocation free of charge to members of the ESPP of shares or securities giving access to our share capital, our shareholders would moreover waive all rights to said shares or securities**, including to that share of any reserves, profits or share premiums incorporated in the share capital, in proportion to the number of free shares granted on the basis of this delegation.

Our Board of Directors may transfer shares to ESPP members. These share transfers completed with a discount for members of ESPP will be deducted, in direct proportion to the par value of the shares thereby assigned, from the ceiling set out below.

Our Board of Directors would have all powers, with the right to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issues in accordance with the detailed methods determined thereby in accordance with the law.

Should this delegation be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Price

The issue price of these new shares or securities giving access to the capital issued under this delegation (the "Reference Price") **would be set with reference to the average share price on Euronext Paris during the last 20 trading days preceding the date that the Board of Directors decides to set the opening date of the subscription period** for the capital increase reserved to ESP members.

A discount of 30% to 40% may be applied to the Reference Price in accordance with legal requirements.

The Board of Directors may, if it determines that it is appropriate, **reduce or waive the authorization to reduce or remove the aforementioned discount**, in particular to comply with the applicable local regulations in the countries in which the issue would be implemented.

Our Board of Directors may proceed, by substitution of all or a part of the discount with respect to the Reference Price and/or contribution, with the free allocation of shares or securities giving access to capital, either new or existing, in favor of ESP members. These allocations free of charge would be made in addition to any shares or securities giving access to the capital to be subscribed for in cash.

Ceilings

The **maximum nominal amount of capital increases** that may be carried out immediately or in the future based on this resolution 31 may not exceed the **nominal maximum amount of €560,000** in nominal, i.e. a maximum of 280,000 shares.

Please note that this **ceiling of €560,000 would be deducted from the amount of overall nominal ceiling of €30 million** defined in 3.a. (i) of resolution 22.

These ceilings would be in addition to the nominal value of any capital increases that may be completed *via* the issue of ordinary shares in order to preserve the rights of holders of securities and of holders of other rights giving access to our Company's share capital.

Moreover, **the maximum nominal amount of the debt securities or related securities giving access either immediately or in the future to our Company's capital that may be issued pursuant to this resolution 31** may not exceed the ceiling of €300 million or the equivalent of this figure.

This ceiling would, where appropriate, **be increased by any redemption premium in excess of the par value**.

Please note that this amount of €300 million would be deducted from the overall ceiling of €300 million described in part 3. b. of resolution 22.

Thirty-second resolution – Authorization to be granted to the Board of Directors to proceed with the allocation of free shares

Grounds for the possible use of the resolution

In the context of resolution 32, **you are requested to grant our Board of Directors a new authorization to allocate, free of charge, new or existing shares already issued or to be issued, to employees of our Group and to our corporate officers**.

Term

Granted for a period of 38 months with effect as from the date of your Shareholders' General Meeting, this authorization would have the effect of **voiding the authorization granted by resolution 5 adopted on March 23, 2018.**

Detailed implementation conditions

In application of this mechanism, our Board of Directors would have authority to proceed, on one or more occasions, with the **allocation of new or existing free shares, in favor** of the beneficiaries or categories of beneficiaries it shall designate among (i) **employees of our Company or of related companies** within the meaning of Article L. 225-197-2 of the French Commercial Code, and (ii) **the corporate officers of our Company or of related companies** meeting the conditions of Article L. 225-197-1, II of the said Code.

Shares allocated to beneficiaries would be vested at the end of a vesting period set by our Board of Directors, in accordance with the applicable law.

Our Board of Directors **may impose a continued employment requirement** for beneficiaries within our Group, **and may impose a requirement relating to the holding of the shares.**

The final allocation of those shares allocated to our corporate officers would be linked to the achievement of performance targets.

In the event of the invalidity of the beneficiary, the shares would vest immediately.

In the event of the death of the beneficiary, the heirs have six months following the date of death in which to apply for the vesting of the shares.

Existing shares that may be allocated under this authorization would have to be acquired by our Company, either within the framework of the provisions of Article L. 225-208 of the French Commercial Code, or, where appropriate, within the framework of a share repurchase program in line with the provisions of Article L. 225-209 of the French Commercial Code.

In the event of the allocation free of charge of new shares, this authorization would, as and when said shares are vested, lead to a **capital increase *via* the incorporation of reserves, earnings, or issue premiums, in favor of the beneficiaries** of said shares.

Correspondingly, **our shareholders would waive their preferential subscription rights to such new shares in favor of the beneficiaries of said shares.**

Our **Board of Directors would have all powers, with the right to sub-delegate** under the conditions provided for by law, to implement this authorization.

Should this authorization be used, **the supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Ceilings

The total number of shares that may be allocated free of charge pursuant to this authorization **may not exceed 5% of our share capital** as of the day the Board of Directors decides on the allocation.

This ceiling is set on a standalone basis with regard to the ceilings defined in resolutions 22 to 31.

Furthermore, **the allocation of shares free of charge to corporate officers should not exceed 20% of those shares allocated free of charge** pursuant to this authorization.

Thirty-third resolution: creation of a new class of preference shares convertible into ordinary shares and corresponding amendment of the bylaws

Grounds for the possible use of the resolution

Under resolution 33, we ask you to grant the creation of a category of preference shares convertible into ordinary shares (the "**PS 2**") in order to set up a long-term co-investment plan for the benefit of certain employees and corporate officers of our Company and/or its subsidiaries (hereafter the "Plan"), as unanimously authorized by your Board of Directors on June 12, 2019.

Detailed implementation conditions

The Plan would take the form of an agreement with the beneficiaries under which it they would receive a proposition to subscribe to a certain number of PS 2, in addition to a free allocation of PS 2.

The PS 2, whether subscribed or granted for free, would be convertible into ordinary shares subject to the achievement of performance conditions related to the achievement of objectives of EBITDA, revenue and total shareholder return (or TSR) of our Company's ordinary shares compared to the Euro Stoxx 600 Technology index.

In this context, we propose you to decide, subject to the condition precedent of the adoption of resolutions 34 and 35, to introduce into our Company's bylaws a new category of preference shares, i.e. the PS 2.

Governed by the Articles L. 228-11 et seq. of the French Commercial Code, their main characteristics, specific rights and arrangements for their conversion into ordinary shares would be as follows:

- admission of the PS 2 to the regulated market of Euronext Paris would not be requested;
- the PS 2 would each have a par value equal to that of our Company's ordinary shares, i.e. €2.00 each;
- except in case of death or if a Complex Major External Growth Transaction or a Substantial Equity Investment (as defined in resolution 33) occurs, each PS 2 may not be transferred before the earlier of the three following dates: (i) the Conversion Date (as hereinafter defined), the Buyback Date (as hereinafter defined) and (iii) July 26, 2019;
- the PS 2 would be (i) either converted into ordinary shares according to a conversion ratio set according to the conditions described below if the performance conditions have been met, (ii) or purchased by the Company at their par value for the purpose of their cancellation, if the performance conditions have not been met;
- each PS 2 would grant a voting right in Shareholders' General Meetings;
- the holders of PS 2 would participate in a special meeting under the conditions stipulated in Article L. 225-99 of the French Commercial Code and their specific rights attached to this share category would be maintained in accordance with the laws;
- each PS 2 would benefit from identical rights to dividends and to the liquidation bonus as those of ordinary shares and would benefit from preferential subscription rights in case of capital increase or any transaction with preferential subscription rights involving an issue of our Company's ordinary shares. The rights to dividends and to the liquidation bonus linked to each PS 2 and identical as those of ordinary shares would disappear at the earlier of (i) the Conversion Date or (ii) the Repurchase Date;
- all PS 2 issued or to be issued at the Conversion Date (as hereinafter defined) would be convertible into a variable number of ordinary shares, depending on the achievement of objectives based on EBITDA, revenues and Total Shareholder Return (or TSR) of our Company's ordinary share, as hereinafter detailed.

The issue of PS 2 may only be decided within the framework of an allocation of free shares or a capital increase reserved to employees of the Company and/or companies or groups directly or indirectly related to it, pursuant to the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, and/or of corporate officers of the Company.

Except for the anticipated conversion cases set forth in paragraph 8 and 10 of resolution 33, PS 2 would be convertible at the latest on the 180th day following the approval by the Shareholders' General Meeting of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022, without prior demand of the beneficiary, at a date that will be set by the Board of Directors (the "**Conversion Date**").

The number of ordinary shares that would result from the conversion of the PS 2 that exist at the Conversion Date shall be calculated according to a conversion ratio set by the Board of Directors depending on the realization of the 3 following objectives:

i. *Rate of achievement of the EBITDA target*

The rate of achievement of the EBITDA target would be determined based on the level of the Group's consolidated EBITDA taken from the Group's consolidated financial statements related to the fiscal year ending on March 31, 2022 ("**2022 EBITDA**") as follows:

- the rate of achievement of the EBITDA target would be zero percent (0%) if 2022 EBITDA is strictly less than two hundred and five million euros (€205,000,000);
- the rate of achievement of the EBITDA target would be fifty percent (50%) if 2022 EBITDA is strictly equal to two hundred and five million euros (€205,000,000);
- the rate of achievement of the EBITDA target would be one hundred percent (100%) if 2022 EBITDA is strictly equal to or greater than three hundred and ten million euros (€310,000,000);

it being specified that (a) the rate of achievement of the EBITDA target would be determined via linear interpolation if 2022 EBITDA falls between the levels indicated above, that (b) the achievement of the objectives set in the present (i) would be determined on the basis of a constant exchange rate set at one euro (€1.00) for one American dollar and thirteen cents (USD 1.13), and that (c) in case of change of IFRS rule having an impact (either negative or positive) on the achievement of the objectives set in the present (i), the Board of Directors would take any necessary step to neutralize such impact.

ii. *Rate of achievement of the revenue target*

The rate of achievement of the revenue target would be determined based on the level of the Group's consolidated revenues taken from its consolidated financial statements related to the fiscal year ending on March 31, 2022 (**"2022 Revenue"**), as follows:

- the rate of achievement of the revenue target would be zero percent (0%) if 2022 Revenue is strictly less than USD771,000,000;

- the rate of achievement of the revenue target would be fifty percent (50%) if 2022 Revenue is strictly equal to USD771,000,000;
- the rate of achievement of the revenue target would be one hundred percent (100%) if 2022 Revenue is strictly equal to or greater than USD1,129,000,000;

it being specified that (a) the rate of achievement of the revenue target would be determined via linear interpolation if 2022 Revenue falls between the levels indicated above, that (b) the achievement of the objectives set in the present (ii) would be determined on the basis of a constant exchange rate set at one euro (€1.00) for one American dollar and thirteen cents (USD 1.13), and that (c) in case of change of IFRS rule having an impact (either negative or positive) on the achievement of the objectives set in the present (ii), the Board of Directors would take any necessary step to neutralize such impact.

iii. *Rate of achievement of the performance of the Company's ordinary share (Total Shareholder Return or "**TSR**") target*

The rate of achievement of the TSR target would be based on the respective TSR of the Company's ordinary share and the Euro Stoxx 600 Technology index between July 26, 2019 and the release date of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022 as follows:

- the rate of achievement of the TSR target would be 0% if the TSR of the Company's ordinary share is strictly less than 80.00% of the Euro Stoxx 600 Technology index performance;
- the rate of achievement of the TSR target would be 100% if the TSR of the Company's ordinary share is strictly greater than or equal to 120.00% of the Euro Stoxx 600 Technology index performance;

it being specified that the rate of achievement of the TSR target would be determined via linear interpolation if the TSR of the Company's ordinary share falls between the levels indicated above.

The Company's ordinary share TSR would be determined as follows:

$$\frac{\text{Final Reference Price + Dividends – Initial Reference Price}}{\text{Initial Reference Price}}$$

with:

- the Initial Reference Price that would correspond to the average of the 20 last closing market price of the Company's ordinary share preceding the Shareholders' General Meeting of July 26, 2019;
- the Dividends would correspond to dividends distributed during the applicable period; and
- the Final Reference Price would correspond to the average of the 20 last closing market price of the Company's ordinary share following the release of the Group's consolidated financial statements for the fiscal year ending on March 31, 2022.

If the Euro Stoxx 600 Technology index were to disappear, the Board of Directors, with the right to sub delegate, could decide to replace this index by any substitutable index or that, in the Board of Directors' opinion, would be appropriate to assess the TSR performance.

These performance conditions are in line with the recommendations of the AFEP-MEDEF code ("serious and demanding conditions") and thus ensure perfect alignment between the interests of the corporate officers and employees and those of the Company's shareholders.

The number of ordinary shares resulting from the conversion of existing PS 2 as at the Conversion Date would be calculated as per a conversion ratio set by the Board of Directors (the "**Conversion Ratio**") :

(i) one-third depending on the achievement of the targets based on our Group's consolidated EBITDA,

(ii) one-third depending on the achievement of the targets based on our Group's consolidated revenue, and

(iii) one-third depending on the achievement of targets based on the TSR performance compared to the Euro Stoxx 600 Technology index assessed between July 26, 2019 and March 31, 2022.

An offset mechanism is envisaged between the EBITDA and revenue targets in case of over performance of one of the objectives (achievement rate between 100% and 110%) and of non-achievement of the maximum threshold by the other objective (achievement rate between 80% and 100%). Such offset mechanism would be limited to 10%.

The number of ordinary shares created as a result of the conversion should be determined for each PS 2 holder by applying the Conversion Ratio to the number of PS 2 held by each holder on the Conversion Date on the total number of PS 2 issued or to be issued at that date. If the total number of ordinary shares to be received by an PS 2 holder by applying the Conversion Ratio to the number of PS 2 they hold is not a whole number, the holder will receive the immediately lower number of ordinary shares. All ordinary shares resulting from the conversion of PS 2 would be the same as existing ordinary shares at the Conversion Date and would bear dividends with immediate effect.

Adjustments of the performance objectives may be done if a Simple External Growth Transaction (as defined in resolution 33) occurs, or if a divestment or a lower or greater CAPEX in comparison to the business plan occurs.

By exception, it is envisaged that the Conversion Ratio may be applicable by anticipation, and that an anticipated conversion may occur in case of death of a PS 2 holder or if a Complex Major External Growth Transaction or a Substantial Equity Investment (as defined in resolution 33) occurs before the Conversion Date.

The Board of Directors should, if applicable, acknowledge the number of new ordinary shares resulting from the conversion of PS 2 on the Conversion Date and amend our Company's bylaws accordingly.

The PS 2 issued or to be issued at the Conversion Date may be converted to new or existing ordinary shares held under the share repurchase program, and the conversion of PS 2 to new ordinary shares entails the waiver by our shareholders of their preferential subscription rights to new ordinary shares resulting from the conversion.

If the performance targets were not met such that the conversion of PS 2 via application of the Conversion Ratio would give right to no ordinary shares, our Company may buy back the PS 2 on its own initiative at the latest on the 180th calendar day after the release of our Group's consolidated financial statements for the fiscal year ending on March 31, 2022 (the "Repurchase Date"), at their par value, pursuant to the provisions of Article L. 228-12 III of the French Commercial Code.

Consequently, from the issue of the PS 2 and subject to the conversion of the PS 1 (category currently called "preference shares" in the bylaws and that will be renamed "PS 1"), our Company's share capital would be divided into three categories of shares: ordinary shares, PS 1 and PS 2.

Ceilings

The total number of ordinary shares, new or existing, resulting from the conversion of the total number of PS 2 that could be issued, in case of achievement of the performance objectives could not, in any case, be greater than a number of ordinary shares representing 3.75% of our Company's share capital at the date of your Shareholders' General Meeting of July 26, 2019, increased by the number of ordinary shares resulting from:

(i) the free shares allocation plans on-going as of the date of this Shareholders' General Meeting of July 26, 2019,

(ii) the conversion of the PS 1, and

(iii) the conversion of the PS 2.

The maximum number of PS 2 that could be issued would be of 600,000.

We specify that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account and that these ceilings are set on a standalone basis with regard to those defined in resolutions 22 to 32 of your Shareholders' General Meeting of July 26, 2019.

Thirty-fourth resolution: Authorization to the Board of Directors to freely allocate, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code, Company PS 2 to employees and/or corporate officers of the Company and/or companies or groups directly or indirectly related to it, entailing the waiver by shareholders of their preferential subscription rights

Grounds for the possible use of the resolution

Under resolution 34, we ask you to grant our Board of Directors a new authorization for the purpose of allocating free PS 2 to be issued for the benefit of employees and/or corporate officers (within the meaning of Article L. 225-197-1 of the French Commercial Code) of our Company and/or companies or groups related to it within the meaning of Article L. 225-197-2 of the French Commercial Code.

Term

This authorization would be granted for a period of 38 months with effect from the date of your Shareholders' General Meeting.

Detailed implementation conditions

Pursuant to this mechanism, our Board of Directors would have the authority in accordance with current legislative and regulatory provisions and notably those of Articles L.225-197-1 et seq. of the French Commercial Code, to carry out, on one or more occasions and under the conditions that it shall set, subject to the limits set in this authorization, allocations of free PS 2, for the benefit of employees and/or corporate officers (within the meaning of Article L.225-197-1 of the French Commercial Code) of our Company and/or companies or groups related to it within the meaning of Article L. 225-197-2 of the French Commercial Code.

The allocation of the PS 2 would be made to each beneficiary on the basis of three series with the following terms:

- Series 1 (50% of the allocation): the vesting period of the PS 2 would be one year and the holding period for the vested PS 2 would be two years;
- Series 2 (25% of the allocation): the vesting period of the PS 2 would be two years and the holding period for the vested PS 2 would be one year;
- Series 3 (25% of the allocation): the vesting period of the PS 2 would be three years, without a holding period for the PS 2.

The definitive allocation of the PS 2 after each vesting period shall be subject to employment presence condition of the concerned beneficiary.

The definitive allocation of the PS 2 would take place, if applicable, immediately before the end of the vesting period (i) in the event that a beneficiary is classified as having a disability in the second or third category referred to in Article L. 341-4 of the French Social Security Code, at the request of the beneficiary and (ii) in the event the beneficiary dies, at the request of their dependents within a period of six months following the death, provided that they have expressly made such a request to our Company. If this is the case, the beneficiary concerned (or his/her dependents if applicable) would not be subject to a holding obligation for the PS 2 which would become immediately transferable.

If it were granted, this authorization would entail, in favor of the beneficiaries of the PS 2 allocations, the waiver by shareholders of all rights to the PS 2 allocated free of charge based on this authorization.

In the case of an allocation of free PS 2 to be issued, the Board of Directors would be authorized to implement one or more capital increases by capitalization of reserves, profits, issue premiums or other amounts of which capitalization is permitted for the benefit of the beneficiaries of said shares, this authorization incorporating, by right, a corresponding waiver by shareholders, in favor of the beneficiaries, of their preferential subscription right to said PS 2 and to the proportion of the reserves, profits and premiums or other amounts of which capitalization is permitted thus incorporated, a transaction for which the Board of Directors benefits from a delegation of authority pursuant to Articles L. 225-129-2 and L. 225-197-1 of the French Commercial Code.

You will be asked to grant all powers to the Board of Directors to implement this authorization according to the modalities indicated above and notably to:

(i) set the conditions for the allocation and conversion criteria of the PS 2,

(ii) determine the identity of the beneficiaries, the number of PS 2 allocated to each one, the modalities for the allocation of these PS 2, and specifically the vesting and holding periods for the PS 2 allocated free of charge, in the settlement of the free PS 2 allocation plan,

(iii) set, subject to the conditions and limits provided by the legislative provisions, the dates on which the allocations of free PS 2 will be made,

(iv) if it deems appropriate, set the conditions for the definitive allocation of the PS 2, notably the conditions of employment and/or performance, and

(v) note the definitive allocation dates.

Ceilings

The maximum number of PS 2 that could be allocated free of charge under this authorization would be equal to two third of the total number of PS 2 that could be issued and that would be set by the Board of Directors in accordance with resolution 33. As such, it could not exceed 400,000.

The maximum number of ordinary shares resulting from the conversion of the PS 2 allocated free of charge could not exceed 2.5% of our Company's share capital at the date of your Shareholders' General Meeting of July 26, 2019, increased by the number of ordinary shares resulting from:

(i) the free shares allocation plans on-going as of this date;

(ii) the conversion of the PS 1; and

(iii) the conversion of the PS 2.

Furthermore, the maximum number of PS 2 that would be allocated free of charge to our corporate executive officers under this authorization could not exceed 54,000.

We specify that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account and that these ceilings are set on a standalone basis with regard to those defined in resolutions 22 to 32 of your Shareholders' General Meeting of July 26, 2019.

Thirty-fifth resolution: Delegation of authority granted to the Board of Directors to issue PS 2, without preferential subscription rights, to persons meeting defined requirements

Grounds for the possible use of the resolution

In the context of this resolution 35, you are being asked to grant our Board of Directors, subject to the condition precedent of the approval of resolutions 33 and 34, a delegation of authority to increase our share capital with the cancellation of shareholders' preferential subscription rights, for the benefit of beneficiaries meeting the following criteria: corporate officers or employees of our Company of any companies or groups connected directly or indirectly thereto in the meaning of Article L. 233-4 of the French Commercial Code.

Term

This delegation of authority would be granted for a period of 6 months with effect from the date of your Shareholders' General Meeting.

Detailed implementation conditions

Under this mechanism, our Board of Directors would have authority to issue, on one or more occasions, in the proportion and at the times determined thereby, in euros, foreign currencies, or in any unit established based on a basket of currencies, in France and/or abroad, against payment or free of charge, PS 2 reserved for corporate officers or employees of our Company and/or companies or groups directly or indirectly related to it.

Payment for these PS 2 could be made either in cash or by off-setting against liquid and payable receivables, or by incorporation of reserves, profits, or issue premiums.

Our Board of Directors would benefit from the authority, with the right to sub-delegate, to establish the precise list of beneficiaries from the waiver of preferential subscription rights and to set the number of PS 2 to be subscribed by each one of them.

This delegation would automatically lead to the waiver by our shareholders, in favor of said beneficiaries, of their preferential subscription right relating to the new shares to which entitlement would be granted by the PS 2 that may be issued by virtue of this resolution 35.

Our Board of Directors would have all powers, with the right to sub-delegate in accordance with the law, in order to decide on the aforementioned issues and to proceed therewith in accordance with the detailed methods determined thereby in accordance with the law, and notably to set the subscription price, on the basis of the opinion of an independent advisor.

Should this delegation be used, the supplementary reports required by law would be drawn up by our Board of Directors and our Statutory Auditors respectively and presented to the next Shareholders' General Meeting.

Our Board of Directors would not, except by obtaining prior authorization from shareholders, be able to make use of this delegation with effect from the time of filing by a third party of a public offer for our Company's equity shares, until the end of the offer period.

Price

Our Board of Directors would be granted with a delegation to determine, according to the applicable regulations, the subscription price that shall be set, with opinion of an independent expert, depending on parameters that influence its value.

Ceilings

The maximum number of PS 2 that may be issued under this delegation would be equal to one third of the total number of PS 2 that could be issued and that would be set by the Board of Directors in accordance with resolution 33. As such, it could not exceed 200,000.

The maximum number of ordinary shares resulting from the conversion of the PS 2 that would be issued in the frame of this resolution 35 could not exceed 1.25% of our Company's share capital at the date of your Shareholders' General Meeting of July 26, 2019, increased by the number of ordinary shares resulting from:

(i) the free shares allocation plans on-going as of this date;

(ii) the conversion of the PS 1; and

(iii) the conversion of the PS 2.

We specify that these ceilings do not take the necessary legal, regulatory or contractual adjustments to maintain the rights of holders of PS 2 into account and that these ceilings are set on a standalone basis with regard to those defined in resolutions 22 to 32 of your Shareholders' General Meeting of July 26, 2019.

Thirty-sixth resolution: Authorization granted to the Board of Directors to cancel, where appropriate, the Company's treasury shares up to a maximum 10%

Grounds for the possible use of the resolution

In the context of resolution 36, you are requested to grant our Board of Directors **new authorization to cancel the Company's treasury shares up to a maximum of 10% of our share capital.**

Term

The authorization granted to our Board of Directors pursuant to resolution 20 adopted on July 26, 2018 will expire on the date of your Shareholders' General Meeting.

This new authorization would be valid until the date of the Shareholders' General Meeting called in 2020 to approve the financial statements for the financial year ending March 31, 2020.

Detailed implementation conditions

In order to allow our Company to reach the objectives of the share repurchase program, you are requested to authorize our Board of Directors to reduce our share capital, on one or more occasions, in the proportions and on the dates determined thereby, *via* the cancellation of any number of treasury shares acquired by virtue of the authorizations granted by your Shareholders' General Meeting.

Our Board of Directors would have all powers, with the right to sub-delegate, to undertake any act, formality or declaration with a view to canceling the shares acquired and completing the share capital reductions, and to amend the bylaws as a result.

Should this authorization be used, the **supplementary reports required by law would be drawn up by our Board of Directors and our statutory auditors respectively and presented to the next Shareholders' General Meeting.**

Ceilings

On the date of each cancellation, the total number of shares canceled by our Company over the 24-month period prior to said cancellation (including those to be canceled in the aforementioned cancellation) may not exceed 10% of our share capital on that date.

This percentage would apply to the adjusted share capital based on transactions having an impact thereupon following your Shareholders' General Meeting.

Thirty-seventh resolution – Powers for formalities

In the context of the final resolution (37), please grant all powers to bearers of an original or copy of, or extract from, the minutes of your Shareholders' General Meeting so as to complete all procedures required by the law and/or the regulations in force.

8.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

To the Shareholders' General Meeting of Soitec,

In our capacity as statutory auditors for your Company, we hereby present our report on the regulated agreements and commitments.

Based on the information given to us, it is our responsibility to report to you on the main terms and characteristics and the reasons justifying the relevance for the Company of the agreements and commitments notified to us and which we discovered during our audit without having to rule on their appropriateness or on their merits or look for the existence of other agreements and commitments. It is your responsibility, according to the terms of Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

Further, it is our responsibility, as appropriate, to provide you with the information set out in Article R. 225-31 of the French Commercial Code, related to the performance in the past fiscal year of agreements and commitments already approved by the Shareholders' General Meeting.

We conducted the due diligence we deemed necessary with regard to the professional standards of the French national auditing body *Compagnie nationale des commissaires aux comptes* for this assignment. Such due diligence consisted of checking that the information given to us corresponds to that in the source documents from which it comes.

8.4.1 AGREEMENTS AND COMMITMENTS SUBJECT TO APPROVAL FROM THE SHAREHOLDERS' GENERAL MEETING

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments entered into during the past fiscal year that were previously authorized by your Board of Directors.

1. With the French Atomic Energy and Alternative Energy Commission (*Commissariat à l'énergie atomique et aux énergies alternatives* - CEA)

Person concerned: Christophe Gegout, Director

a) Nature and purpose

On July 27, 2018, with the authorization of the Board of Directors on December 14, 2017, your Company signed a new multi-year framework R&D partnership agreement with the CEA.

Its purpose is to set the terms of execution of R&D work in collaboration between the CEA and the Company.

It has been entered into retroactively from January 1, 2018 and for a term of five years, *i.e.* until December 31, 2022.

Terms

Under the agreement, the CEA invoiced your Company €5,317,000 during the 2018-2019 fiscal year.

Justification of the benefits of the agreement (commitment) for the Company

Your Board has justified this agreement/commitment as follows: renewal of an existing partnership agreement.

b) Nature and purpose

On July 27, 2018, with the authorization of the Board of Directors on December 14, 2017, your Company signed a patent and know-how communication licensing agreement with the CEA for the production and sale of substrates.

Its purpose is to set the terms for use of the patents and know-how.

It was signed with a retroactive effect on January 1, 2017 and will expire at the latest on December 31, 2027 or the date of expiry of the last patent or the last know-how under this agreement.

Terms

Under the agreement, the CEA invoiced your Company €5,019,695 during the 2018-2019 fiscal year.

Justification of the benefits of the agreement (commitment) for the Company

Your Board has justified this agreement/commitment as follows: renewal of an existing license agreement.

2. With Shanghai Simgui Technology Co. Ltd. (Simgui)

People concerned: Nabeel Gareeb and Weidong (Leo) Ren, Directors

a) Nature and purpose

On January 17, 2019, with the authorization of the Board of Directors on November 28, 2018, your Company signed an "Amended and restated license and technology transfer agreement" with Simgui.

Its aim is to allow Simgui, as part of an increase in production capacity for 200-mm SOI wafers, to produce in China and sell these products exclusively to your Company for the global market using your Company's Smart Cut™ technology.

It has been entered into retroactively from December 27, 2018 and for a term of six years, *i.e.* until December 26, 2024.

Terms

Under the agreement, your Company invoiced Simgui USD500,000 during the 2018-2019 fiscal year.

Justification of the benefits of the agreement (commitment) for the Company

Your Board has justified this agreement/commitment as follows: renewal of an existing partnership agreement.

b) Nature and purpose

On January 17, 2019, with the authorization of the Board of Directors on November 28, 2018, your Company signed an "Amended and restated SOI supply agreement" with Simgui for the supply of SOI wafers.

Its purpose is the supply of SOI wafers manufactured by Simgui to our Company in accordance with the terms of the licensing and technology transfer agreement indicated above.

It was signed with retroactive effect on December 27, 2018 for a duration of 6 years up to December 26, 2024.

Terms

Under the agreement, Simgui invoiced your Company USD23,700,000 during the 2018-2019 fiscal year.

Justification of the benefits of the agreement (commitment) for the Company

Your Board has justified this agreement/commitment as follows: renewal of an existing partnership agreement.

c) Nature and purpose

On January 17, 2019, with the authorization of the Board of Directors on November 28, 2018, your Company signed an "Amended and restated bulk supply agreement" with Simgui for the supply of raw materials.

Its purpose is the supply by your Company to Simgui of raw materials for the production of SOI wafers in accordance with the terms of the licensing and technology transfer agreement indicated above.

It was signed with retroactive effect on December 27, 2018 for a duration of 6 years up to December 26, 2024.

Terms

Under the agreement, the Company invoiced Simgui USD19,288,984 during the 2018-2019 fiscal year.

Justification of the benefits of the agreement (commitment) for the Company

Your Board has justified this agreement/commitment as follows: renewal of an existing partnership agreement.

8.4.2 AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' GENERAL MEETING

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed of the performance, in the past fiscal year, of the following agreements and commitments, which were already approved by Shareholders' General Meetings of previous years.

1. With GLOBALFOUNDRIES US, Inc. (GF)

Person concerned: Douglas Dunn, Director

a) Nature and purpose

In April 2017, with the authorization of the Board of Directors on March 30, 2017, your Company and GF signed a Materials Supply Agreement (the "MSA") effective April 25, 2017.

The MSA sets out the general terms and conditions for the purchase of your Company's products by GF and some of its subsidiaries. In turn, the Company undertakes to provide these products, as stated in purchase orders or Addenda attached to the MSA.

This agreement has been entered into for a five-year term (until March 31, 2022) and shall tacitly renew each year, unless it is expressly terminated.

The agreement also sets out the terms and conditions for delivery, product storage, the term of the product warranty and the parties' liability.

b) Nature and purpose

In September 2017, with the authorization of the Board of Directors on March 30, 2017, your Company and GF signed a Long-term Addendum to Materials Supply Agreement (the "LTA"), taking retroactive effect on July 1, 2017.

This agreement has been entered into for a five-year term (until March 31, 2022) and shall tacitly renew each year, unless it is expressly terminated.

The LTA is governed by the rules of the Materials Supply Agreement.

The LTA sets out the terms under which GF and its subsidiaries may be provided FD-SOI by your Company for a majority of their requirements.

Prices depend on volumes purchased and product margins. They may also be reduced if GF makes it possible to reduce the cost of acquiring certain items of equipment required for the manufacture of products.

Raw material prices do not influence the prices offered to GF.

This agreement also sets out the rules relating to delivery terms and conditions and to consignment goods.

c) Nature and purpose

In April and May 2017, with the authorization of our Board of Directors granted on March 30, 2017, your Company and GF Dresden signed a "Product Purchase Addendum" ("PPA"), appended to the Materials Supply Agreement ("MSA").

The PPA was entered into for the same term as the MSA, *i.e.* 5 years (until March 31, 2022), it being recalled that the MSA tacitly renews each year unless it is expressly terminated.

The PPA is an addendum to the MSA that defines that terms and conditions for the consignment of certain products bought by GF Dresden only. The MSA therefore applies to the PPA.

This agreement lists the products that will be purchased by GF Dresden from the Company under a consignment sale. The rules relating to the consignment in Dresden are also defined in the agreement.

Terms

Under these three agreements, sales of wafers between your Company and GF Dresden amounted to USD60,900,000 during the 2018-2019 fiscal year.

Justification of the benefits of the agreements described above for the Company

Your Board justified these agreements as follows: definition of the rules and general terms and conditions of purchase, delivery and storage with this customer.

2. With Bpifrance Participations, CEA Investissement and National Silicon Industry Group/NSIG Sunrise S.à.r.l., shareholders of your Company

The execution of the Shareholders' agreement signed between your Company and its three strategic investors, *i.e.* Bpifrance Participations, CEA Investissement and National Silicon Industry Groupe/NSIG Sunrise S.à.r.l., already authorized by the Board of Directors on March 3, 2016, has been continued during the entire fiscal year;

Terms

This shareholder agreement primarily relates to the organization of the Company's corporate governance.

Justification of the benefits of the agreement (commitment) for the Company

Your Board justified this agreement/commitment as follows: each of the three major shareholders retained their respective equity interests in the Company throughout the fiscal year ended on March 31, 2019.

Paris-La Défense and Lyon, on July 4, 2019

The statutory auditors

KPMG S.A.		Ernst & Young Audit
Jacques Pierre	Stéphane Devin	Nicolas Sabran

8.5 CONDITIONS OF MEETING, NOTICE AND ADMISSION TO OUR SHAREHOLDERS' GENERAL MEETINGS

8.5.1 NOTICE AND MEETING OF OUR SHAREHOLDERS' GENERAL MEETINGS

Articles 21 to 25 govern our Company's bylaws, which govern our Shareholders' General Meetings.

Shareholders' General Meetings are convened by the Board of Directors, in accordance with statutory procedures.

The meetings shall be held either at the registered office or at any other place specified in the notice.

Our Shareholders' General Meetings are presided over by the Chairman of the Board of Directors or, in his absence, by a Director specially delegated for this purpose by the Board. Failing this, the Shareholders' General Meeting elects its chairperson.

The role of scrutineers is performed by the two members of the Shareholders' General Meeting who have the highest number of votes and who are present and agree to act in this capacity. The Board designates a secretary who may be chosen from outside the body of shareholders.

An attendance sheet is held under the conditions provided by the law.

Copies or excerpts of the minutes of the Shareholders' General Meeting are validly certified by the Chairman of the Board, by a Director performing the functions of CEO or by the secretary of the meeting.

Our agent in charge of holding our shares and organizing our Shareholders' General Meetings is: CACEIS CORPORATE TRUST (hereinafter "CACEIS").

8.5.2 DOCUMENTS MADE AVAILABLE TO OUR SHAREHOLDERS

In accordance with statutory and regulatory provisions, all of the documents that must be provided in relation to our Shareholders' General Meetings are made available to our shareholders at the registered office.

Pursuant to Article R. 225-88 of the French Commercial Code, our shareholders may also obtain, on request and no later than five days prior to the date of the Shareholders' General Meeting, the documents referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code, as well as the postal or proxy voting document.

Requests may be made by mail, sent to our registered office and addressed to the Legal Affairs Department, by email to the address created especially for our Shareholders' General Meetings (shareholders-gm@soitec.com), or by mail sent to CACEIS.

The information and documents referred to in Article R. 225-73-1 of the French Commercial Code are made available to our shareholders on our website (www.soitec.com), under "Company - Investors -Shareholder Information - Shareholders' General Meetings", within the legal timeframe of at least 21 days prior to the meeting.

8.5.3 WRITTEN QUESTIONS

In accordance with Article R. 225-84 of the French Commercial Code, each of our shareholders has the right to submit written questions until the fourth business day preceding the date of the Shareholders' General Meeting.

The questions must be sent by registered letter with acknowledgement of receipt, sent to our registered office and addressed to the Legal Affairs Department, or by email to the address created especially for our Shareholders' General Meetings (shareholders-gm@soitec.com).

To be considered, questions must be accompanied by a certificate of account registration.

A general answer may be given to these questions if they cover the same content.

An answer to a written question shall be deemed to have been provided as soon as it is published on our website (www.soitec.com), under Company - Investors - Shareholder Information - Shareholders' General Meetings.

8.5.4 PRIOR FORMALITIES TO BE CARRIED OUT IN ORDER TO PARTICIPATE AND VOTE IN OUR SHAREHOLDERS' GENERAL MEETINGS

Each of our shareholders, regardless of the number of shares held, has the right to participate in our Shareholders' General Meetings under the applicable statutory and regulatory conditions:

- either by attending them personally;
- by appointing someone to represent them;
- by postal vote; or
- by granting proxy to the Chairman of the Shareholders' General Meeting.

In accordance with the provisions of Article R. 225-85 of the French Commercial Code, the automatic right to participate in Shareholders' Meetings is evidenced by the registration of the shares in the name of the shareholder or intermediary registered on their behalf (pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code), on the second business day preceding the meeting at midnight, Paris time, (i) either in the registered share accounts maintained by CACEIS, (ii) or in the bearer share accounts held by an intermediary referred to in Article L. 211-3 of the French Monetary and Financial Code.

- for registered shareholders: this record, on the second business day prior to the meeting at midnight, Paris time, in the registered share accounts, suffices to enable them to take part in Shareholders' General Meetings;
- for bearer shareholders: pursuant to Article R. 225-85 of the French Commercial Code, the registration of shares in bearer share accounts held by authorized intermediaries is evidenced by a certificate of participation issued by such intermediaries, which must be attached to: (i) the absentee voting form, or (ii) the voting proxy, or (iii) the admission card application; drawn up in the shareholder's name or on behalf of the shareholder represented by the registered intermediary. A certificate is

also issued to bearer shareholders wishing to attend our Shareholders' General Meetings in person, but who have not yet received their admission card two days prior to the Shareholders' General Meeting at midnight, Paris time.

8.5.5 HOW TO TAKE PART IN OUR SHAREHOLDERS' GENERAL MEETINGS

Shareholders wishing to attend Shareholders' General Meetings in person may request an admission card as follows:

- for registered shareholders: each of our registered shareholders automatically receives a voting form, attached to the notice of meeting, which he or she must complete by stating whether he or she wishes to attend the Shareholders' General Meeting and obtain an admission card. They must then return it signed, using the prepaid reply envelope provided with the notice of meeting. Each of our registered shareholders may also decide to attend the Shareholders' General Meeting on the day of the meeting by heading directly to the desk specially set up for this purpose, carrying an identity document;
- for bearer shareholders: bearer shareholders must request that an admission card be sent to the authorized intermediary that manages their share account.

Shareholders not attending Shareholders' General Meetings in person may choose between one of the following three attendance methods:

- postal vote;
- grant proxy to the Chairman of the Shareholders' General Meeting;
- grant proxy to one of our other shareholders, to their spouse or civil partner, or any other individual or legal entity of their choosing, pursuant to Article L. 225-106 of the French Commercial Code.

To exercise one of these three methods, shareholders must take the following steps:

- for registered shareholders: registered shareholders must return the postal or proxy voting form, sent to them together with the notice of meeting, using the enclosed prepaid reply envelope;
- for bearer shareholders: bearer shareholders must request the postal or proxy voting form from the authorized intermediary who manages their share account, or from the Company (by mail sent to our registered office and addressed to the Legal Affairs Department, or by email to the address created especially for our Shareholders' General Meetings: shareholders-gm@soitec.com). In accordance with Article R. 225-75 of the French Commercial Code, this request must be received no later than six days prior to the date of the Shareholders' General Meeting. The postal or proxy voting form must be sent with a certificate of participation issued by the financial intermediary. It must be duly completed and signed by the shareholder, then returned to the financial intermediary at CACEIS.

Under no circumstances may the shareholder return both the proxy form and postal voting form. However, if the case arises, the proxy form will be taken into consideration, subject to the votes cast in the postal voting form, in accordance with paragraph 8 of Article R. 225-81 of the French Commercial Code.

To be taken into account, CACEIS must receive the postal voting form no later than three days prior to the date of the Shareholders' General Meeting.

CACEIS must receive the written appointments or revocations of mandates three calendar days prior to the date of the Shareholders' General Meeting.

The mandate granted for a Shareholders' General Meeting shall apply to any subsequent Shareholders' General Meetings convened with the same agenda, and may be revoked in the same manner as that required for the appointment of the proxy.

Pursuant to Article R. 225-79 of the French Commercial Code, the appointment and revocation of a proxy may also be notified by electronic means, in accordance with the following procedures:

- for pure registered shareholders: shareholders must send an email, including an electronic signature obtained from a third party certifier authorized under applicable statutory and regulatory conditions, to the email address created especially for our Shareholders' General Meeting. This email must contain the following information: Soitec Shareholders' General Meeting, date of the meeting, first and last name, address and CACEIS details, as well as the first and last name and address of the appointed or revoked proxy. The shareholder must confirm their request in writing with CACEIS;
- for administered registered or bearer shareholders: shareholders must send an email, including an electronic signature obtained from a certifier authorized under applicable statutory and regulatory conditions, to the email address created especially for our Shareholders' General Meeting (shareholders-gm@soitec.com). This email must contain the following information: Soitec Shareholders' General Meeting, date of the meeting, first and last name, address and bank details, as well as the first and last name and address of the appointed or revoked proxy. The shareholder must ask their financial intermediary who manages their share account to send a written confirmation to CACEIS.

To ensure that proxy appointments or revocations issued *via* email are validly taken into account, CACEIS must receive confirmations no later than the day before the Shareholders' General Meeting at 3.00 pm, Paris time.

8.5.6 ADDITIONAL INFORMATION

In accordance with Article R. 225-85 of the French Commercial Code, each shareholder having already used a postal vote, granted a proxy or requested their admission card or participation certificate, cannot then choose another method of participating in the Shareholders' General Meeting.

Furthermore, shareholders may sell some or all of their shares at any time. However, if the sale takes place before the second business day preceding the Shareholders' General Meeting at midnight, Paris time, the Company shall invalidate or amend accordingly, as required, the postal vote, proxy, the admission card or the certificate of participation. To this end, the authorized account holder intermediary notifies us or CACEIS of the sale, and forwards the necessary information.

Pursuant to Article R. 225-85 of the French Commercial Code, no transfer of ownership carried out after the second business day preceding the Shareholders' General Meeting at midnight, Paris time, regardless of the method, will be notified by the authorized intermediary or taken into consideration, notwithstanding any agreement to the contrary.

Please note that for any proxy granted by one of our shareholders without stating the proxy holder, the Chairman of the Shareholders' General Meeting shall vote in favor of adopting the draft resolutions presented or approved by our Board of Directors, and vote against adopting any other draft resolutions. To cast any other vote, the shareholder must select a proxy who agrees to vote in the manner specified by the shareholder.

9.

Additional information

9.1 LEGAL INFORMATION

9.1.1 GENERAL INFORMATION

Type of information	Soitec
Company name	Soitec
Trading name	Soitec
Grenoble Trade and Companies Register	SIREN: 384 711 909 SIRET: 384 711 909 00034 APE: 2611Z
Legal entity identifier	LEI: 969500ZR92SQCU9TST26
Date of incorporation - Term	The Company was incorporated on March 11, 1992. The term of the Company has been set at 80 years, *i.e*, until March 11, 2072.
Fiscal Year	April 1 through March 31
Registered office	Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France T.: 04 76 92 75 00
Legal form	Joint stock company (société anonyme) with a Board of Directors
Governing law	French law – legal provisions applicable to joint stock companies

9.1.2 BY-LAWS

Part I – Form - Company name - Purpose- Registered office - Term

Article 1 – Form - Company name - Term - Fiscal year

The Company called Soitec is a French joint stock corporation (*société anonyme*) governed by the current and future legal and regulatory provisions applicable to companies whose shares are admitted to trading on a regulated market, as well as by these by-laws.

The Company has a term of 80 years, unless dissolved earlier or extended. Its trading name is "SOITEC" or "Soitec".

The fiscal year begins on April 1 and ends on March 31.

Article 2 – Purpose

The Company's purpose, in France and in all countries, is:

- to develop, research, manufacture, and market materials for the microelectronics sector and for the industry as a whole;
- to provide diverse technological assistance, to develop specific machines and applications;
- to perform any industrial and commercial transactions relating to:
  - the creation, acquisition, leasing, taking under lease management of all goodwill, the leasing, installation, operation of all establishments, goodwill, factories, workshops, relating to one of these specified activities,
  - the seizing, acquisition, operation or sale of any processes and patents concerning said activities,
  - the direct or indirect participation of the Company in any financial transactions or transactions involving movable property or real estate or commercial or industrial companies related to the corporate purpose or to any similar or related purpose;
- any transactions contributing towards the achievement of said purpose.

Article 3 – Registered office

The Company's registered office is located at Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France.

It may be transferred to any location within the same county (département) or in an adjacent county (département) through the simple decision by the Board of Directors, subject to ratification of such decision by the shareholders at the next Ordinary Shareholders' General Meeting, or to any other location through a resolution adopted by the shareholders at an Extraordinary Shareholders' General Meeting, subject to the applicable legal provisions.

The Board of Directors may create representative offices, factories, and branches wherever it deems necessary.

Part II – Share capital - Shares

Article 4 – Share capital

The share capital is set at sixty-two million, seven hundred sixty-two thousand, seventy euros and fifty cents (€62,762,070.50).

It is divided into thirty-one million, three hundred sixty-seven thousand, five hundred sixty-seven (31,367,567) ordinary shares with a par value of two euros (€2.00) each, all subscribed and fully paid-up, and two hundred sixty-nine thousand, three hundred sixty-five (269,365) preferred shares with a par value of ten cents (€0.10) each, all subscribed and fully paid-up.

Article 5 – Changes in the share capital

1 - Only the Extraordinary Shareholders' General Meeting has the power to decide or authorize a capital increase, as proposed in a report by the Board of Directors.

If the capital increase is to be completed *via* the incorporation of reserves, profits, or issue premiums, the Shareholders' General Meeting shall rule under the quorum and majority conditions required for Ordinary Shareholders' General Meetings.

All shares must have been fully paid-up before the issuance of any new shares to be paid for in cash, failing which the transaction will be invalid.

The value of any contributions in kind must be assessed by one or more Contribution Appraisers, appointed upon by the President of the Commercial Court.

The Extraordinary Shareholders' General Meeting may delegate to the Board of Directors, with the power to sub-delegate to the Chairman, all powers necessary for the completion of the capital increase, on one or several occasions, to set its terms, to perform the completion thereof, and to make the corresponding modifications to the by-laws.

2 - The Extraordinary Shareholders' General Meeting may also decide on or authorize a capital decrease for any reason and in any manner whatsoever, in particular, as a result of losses or *via* the redemption or partial buy-back of shares, a decrease in the number of shares or in their par value, all within the limits and subject to the conditions set by law. A share capital decrease may in no event prejudice shareholder equality.

The Extraordinary Shareholders' General Meeting may delegate to the Board of Directors, with the power to sub-delegate to the Chairman, all powers necessary for the completion of the capital decrease and to make the corresponding modifications to the by-laws.

Article 6 – Payment for shares

Shares acquired *via* a cash subscription must be paid up for an amount equal to at least one quarter of their par value upon subscription and, as applicable, for the entire issue premium.

The outstanding amount must be paid on one or more occasions, as decided by the Board of Directors, within five years following the date of completion of the capital increase.

Calls for funds are notified to subscribers *via* recorded delivery letter with confirmation of receipt, sent at least fifteen days prior to the date set for each payment. Payments are made either at the registered office or in any other location indicated for such purpose.

Any delay in the payment of the amounts due for the unpaid amount on the shares shall, automatically and without any requirement whatsoever for formalities, be subject to payment of interest at the statutory rate, as from the due date for payment, without prejudice as to any personal action that could be taken by the Company against the defaulting shareholder, and to the enforcement measures defined by law.

Article 7 – Form of shares

The ordinary shares, fully paid up, are registered or bearer shares, at the discretion of the shareholder, subject to the legal and regulatory provisions in force. They are recorded in an account in accordance with the applicable legal and regulatory conditions. Preferred shares are registered and recorded in an account opened by the Company in the name of the shareholder in accordance with the applicable legal and regulatory conditions.

In accordance with Article L. 228-2 of the French Commercial Code, the Company is, at all times and for the purpose of the identification of the holders of bearer shares, and at its expense, entitled to ask the central custodian responsible for maintaining its securities issue account for the name or, for legal entities, the Company name, nationality, and address of all holders of shares granted the right to vote, either immediately or at a future date, at its own Shareholders' General Meetings, as well as the number of shares held by each one and, as applicable, any restrictions imposed on the shares. The Company may implement the provisions of part II of Article L. 228-2 of the French Commercial Code.

Article 8 – Indivisibility of shares

Shares are indivisible with regard to the Company. Joint owners of indivisible shares are represented at General Meetings by either of the owners or by the joint agent of their choice. If they are unable to agree on an agent, one is appointed *via* a Court Order issued by the President of the Commercial Court ruling in summary proceedings at the request of whichever joint owner acts first.

The voting right attached to the share belongs to the beneficial owner for Ordinary Shareholders' General Meetings and to the bare owner for Extraordinary Shareholders' General Meetings. However, the shareholders may agree on any other split for the exercise of their voting rights at Shareholders' General Meetings. In this case, they must notify the Company of such agreement *via* recorded delivery letter sent to the registered office. The Company shall be obliged to comply with this agreement at subsequent Shareholders' General Meetings to be held more than one month after the date of the sending of the recorded delivery letter, as evidenced by the postmark.

The shareholder's right to be provided with all Company documents or to examine them may also be exercised by each of the joint owners of indivisible shares, by the beneficial owner and by the bare owner of the shares.

Article 9 – Assignment of shares

Ordinary shares are transferred *via* a simple account-to-account wire transfer, in accordance with the conditions and detailed methods set out by the legal and regulatory provisions in force. Preferred shares cannot be assigned.

Article 10 – Rights and obligations attached to shares

10.1 – Provisions applicable to both ordinary and preferred shares

All shareholders have the right to be informed of the Company's situation and obtain certain Company documents at times and under the conditions set out in the law and the by-laws.

Shareholders are liable for losses only to the extent of their contributions.

Subject to legal and statutory provisions, no majority may impose an increase of their commitments. The rights and obligations attached to shares shall be transferred to any holder thereof.

The ownership of a share implies full compliance with the decisions of the Shareholders' General Meeting and these by-laws.

The heirs, creditors, assignees, or other representatives of a shareholder may not, on any pretext whatsoever, demand the sealing of Company assets or documents, request the division or the sale by auction of said assets, or interfere with the management of the Company.

They must refer to the Company records and to the decisions of the Shareholders' General Meeting in order to exercise their rights.

Where it is necessary to hold a certain number of shares to exercise a right, in the event of an exchange, grouping or allocation of securities, or in the event of a capital increase or decrease, a merger or any other transaction, the shareholders holding a number of shares that is lower than that required, may not exercise said rights unless they personally ensure that they will obtain the required number of shares.

10.2 – Rights attached to ordinary shares

Each ordinary share confers the right to a portion of the profits and Company assets that is proportional to the amount of the capital which it represents and confers the right to vote in and to be represented at the Shareholders' General Meetings, under the conditions set out in the law and the by-laws.

The sale includes all dividends due and/or paid and/or to become due, as well as the possible share in the reserve funds, unless otherwise notified to the Company.

10.3 – Rights attached to preferred shares

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

Preferred shares do not grant entitlement to distribution during any distribution or, as applicable, allocation of assets, decided in favor of each ordinary share. Regarding ownership of Company assets, preferred shares grant the right, within the liquidation payout, to a percentage in proportion to the percentage of the share capital represented thereby.

Preferred shares grant no preferential subscription right in the context of any capital increase or transaction involving entitlement to ordinary shares.

Preferred shares do not confer the right to vote at Shareholders' General Meetings for ordinary shareholders; however, preferred shareholders shall have the right to take part in a Special General Meeting in accordance with the conditions determined by law and by these by-laws.

Preferred shares must be paid up in full on issuance *via* the incorporation of the equivalent amount in Company reserves, premiums, or profit.

Preferred shares shall not represent more than 0.055% of the Company's share capital as of the date of the Shareholders' General Meeting held on April 11, 2016, increased by the par value corresponding to the value of any capital increases approved in application of the eighth, ninth, tenth, and eleventh resolutions of the Shareholders' General Meeting of April 11, 2016, within the limit of a total amount (including issue premiums) of €130 million.

10.4 – Conversion of preferred shares allocated for free (if conversion conditions are met)

Subject to the fulfillment of the following conditions, existing preferred shares at the Conversion Date shall be automatically converted into a variable number of ordinary shares in accordance with the rules described in this article and after the expiry of a 3-year period starting from the date of allocation of the preferred shares by the Board of Directors, without prior request from the holder (the "Conversion Date"). The Conversion Date shall be set by the Board of Directors, and the period between the allocation date and the Conversion Date cannot, in any case, be more than 4 years. The Conversion decision shall occur within 30 calendar days after the Annual Shareholders' General Meeting called to approve the accounts of the fiscal year ending on March 31, 2019.

For beneficiaries who are resident for tax purposes in France (as per Article 4 B of the French General Tax Code), all existing preferred shares as of the Conversion Date shall be automatically converted, subject to the fulfillment of the conditions set out in Article 10.4 of these by-laws, upon expiry of a lockup of 2 years following a vesting period of one year, *i.e.* 3 years after the date on which the preferred shares were allocated for free.

However, as an exception to the foregoing, for beneficiaries resident in France for tax purposes, their preferred shares may be transferred, if applicable, before the expiry of the lockup for their preferred shares (i) if the beneficiary is classified as having a category two or three disability as per Article L. 341-4 of the French Social Security Code, at the request of the beneficiary, or (ii) upon the death of the beneficiary, at the request of his/her assignees, within 6 months following the death, subject to having submitted an express request to the Company, accompanied by a notarized statement confirming the rules governing division of the estate between such assignees.

For beneficiaries who are resident for tax purposes outside of France, all preferred shares existing as of the Conversion Date shall be converted, subject to the fulfillment of the conditions set out in Article 10.4 of these by-laws, following a vesting period of 3 years as from the allocation of the free preferred shares, and no lockup shall be applicable thereto.

The number of ordinary shares resulting from the conversion of the preferred shares existing as of the Conversion Date shall be calculated using a conversion ratio set by the Board of Directors (the "**Conversion Ratio**") (i) for 50%, based on the achievement of targets based on EBITDA criteria, and (ii) for 50%, based on the achievement of share-price targets, detailed below:

- EBITDA targets:
  - the tranche 1 EBITDA targets (the "**Tranche 1 EBITDA**") are set *via* reference to the Group's average consolidated EBITDA figures for the fiscal years ended March 31, 2018 and March 31, 2019 (the "**Average EBITDA**"), it being stated that:
    - (i) the Conversion Ratio resulting from the Tranche 1 EBITDA criterion shall be zero if Average EBITDA is less than or equal to fifty-two million (€52,000,000) euros (the "**Minimum Average EBITDA**"),
    - (ii) the Conversion Ratio resulting from the Tranche 1 EBITDA criterion shall represent 2.25% of the Company's share capital as of the date of the Company Shareholders' General Meeting of April 11, 2016, plus the par value corresponding to the amount of any capital increases approved in application of the eighth, ninth, tenth, and eleventh resolutions of the Shareholders' General Meeting of April 11, 2016, within the limit of a total amount (including issue premiums) of €130 million, if Average EBITDA is equal to or over one hundred four million (€104,000,000) euros (the "**Median Average EBITDA**"), and
    - (iii) the Conversion Ratio calculated using the Tranche 1 EBITDA shall be calculated *via* linear interpolation if the Average EBITDA falls between the Minimum Average EBITDA and the Median Average EBITDA,
  - the extra-tranche EBITDA targets (the "**EBITDA Extra-Tranche**") are also set *via* reference to Average EBITDA, it being stated that:
    - (i) the Conversion Ratio calculated using the Extra-Tranche EBITDA shall be zero if Average EBITDA is equal to or less than Median Average EBITDA,
    - (ii) the Conversion Ratio calculated using the Extra-Tranche EBITDA shall represent 0.5% of the Company's share capital as of the date of the Company's Shareholders' General Meeting held on April 11, 2016, plus the par value corresponding to the amount of any capital increases approved in application of the eighth, ninth, tenth, and eleventh resolutions of the Shareholders' General Meeting of April 11, 2016, within the limit of a total amount (including issue premiums) of 130 million euros where Average EBITDA is equal to or more than one hundred twenty-five million (€125,000,000) euros (the "Maximum Average EBITDA"); and the Conversion Ratio calculated using the Extra-Tranche EBITDA shall be calculated using linear interpolation where Average EBITDA falls between the Median Average EBITDA and the Maximum Average EBITDA.
- Share-price targets:
  - the tranche 1 share-price targets (the "**Tranche 1 Share Price**") are set with reference to the volume-weighted average stock market price for the Company's ordinary shares during the thirty (30) trading days following the date of publication of the Group's consolidated financial statements for the fiscal year ending March 31, 2019 (the "**Average Share Price**"), given that:
    - (i) the Conversion Ratio calculated using the Tranche 1 Share Price shall be zero where the Average Share Price is lower than or equal to the Minimum Average Share Price (as defined below),
    - (ii) the Conversion Ratio resulting from the Tranche 1 Share Price criterion shall represent 2.25% of the Company's share capital as of the date of the Company Shareholders' General Meeting of April 11, 2016, plus the par value corresponding to the amount of any capital increases approved in application of the eighth, ninth, tenth, and eleventh resolutions of the Shareholders' General Meeting of April 11, 2016, within the limit of a total amount (including issue premiums) of €130 million euros where the Average Share Price is equal to or greater than the Median Average Share Price (as defined below), and
    - (iii) the Conversion Ratio calculated using the Tranche 1 Share Price shall be calculated *via* linear interpolation if the Average Share Price falls between the Minimum Average Share Price and the Median Average Share Price,
  - the extra-tranche share price targets (the "**Extra-Tranche Share Price**") are also set *via* reference to the Average Share Price, it being stated that:
    - (i) the Conversion Ratio calculated using the Extra-Tranche Share Price shall be zero if the Average Share Price is equal to or less than Median Average Share Price,
    - (ii) the Conversion Ratio resulting from the Extra-Tranche Share Price criterion shall represent 0.5% of the Company's share capital as of the date of the Company Shareholders' General Meeting of April 11, 2016, plus the par value corresponding to the amount of any capital increases approved in application of the eighth, ninth, tenth, and eleventh resolutions of the Shareholders' General Meeting of April 11, 2016, within the limit of a total amount (including issue premiums) of €130 million euros where the Average Share Price is equal to or greater than the Maximum Average Share Price (as defined below), and

(iii) the Conversion Ratio calculated using the Extra-Tranche Share Price shall be calculated *via* linear interpolation if the Average Share Price falls between the Median Average Share Price and the Maximum Average Share Price;

Where:

– the **Minimum Average Share Price** is equal to €15.40;

– the **Median Average Share Price** is equal to €30.00; and

– the **Maximum Average Share Price** is equal to €35.80.

- The effective number of ordinary shares created as a result of the conversion of all of the preferred shares shall be set by the Board of Directors;
- The number of ordinary shares created as a result of the conversion must be calculated for each preferred shareholder using the Conversion Ratio multiplied by the number of preferred shares held by each holder as of the Conversion Date.

Subject to the fulfillment of the conditions set out in Article 10.4, the preferred shares shall, as of the Conversion Date, be automatically converted by the Company into ordinary shares.

The Company shall inform all preferred shareholders of the implementation of the conversion *via* any means prior to the effective date of the conversion.

In any case, the conversion of preferred shares into ordinary shares shall not be possible between the notice of a Shareholders' General Meeting in the Official Journal (*Bulletin Officiel des Annonces Légales Obligatoires*) and the date of the meeting; in this case, the Conversion Date shall be postponed until the end of the Shareholders' General Meeting.

The issuance of preferred shares automatically entails the waiver by the shareholders of all rights to those preferred shares granted for free further to a resolution or authorization from the Shareholders' General Meeting.

The conversion of the preferred shares into ordinary shares shall automatically entail the waiver by the shareholders of their preferential subscription right to those new ordinary shares which would, if applicable, be issued in the context of this conversion.

Those ordinary shares issued as a result of the conversion of preferred shares will be fully assimilated to the existing ordinary shares in the Company as of the Conversion Date.

When the total number of ordinary shares to be received by a preferred shareholder by application of the Conversion Ratio to the number of preferred shares held is not a whole number, said holder shall receive the immediately lower number of ordinary shares.

The Board of Directors shall acknowledge, if applicable, the number of ordinary shares resulting from the conversion of preferred shares on the Conversion Date and shall make all necessary changes to the by-laws, in particular with regard to the allocation of shares by class, and shall acknowledge the completion of the capital increase in accordance with the provisions of law.

10.5 – Buy-back of preferred shares allocated for free (if conversion conditions are not met)

If the number of ordinary shares that would be granted *via* the conversion of preferred shares is equal to zero in application of the conversion conditions, the Company shall buy back said preferred shares for cancellation.

Each preferred share shall be bought back at its par value.

The Company shall inform all preferred shareholders of the implementation of the buy-back *via* any means prior to the effective date of the buy-back.

All preferred shares thereby repurchased shall be definitively cancelled on the date of buy-back and the Company's share capital shall be decreased accordingly, with creditors holding a right to object.

The Board of Directors must, if applicable, acknowledge the number of preferred shares bought back and cancelled by the Company on the Conversion Date and make all necessary modifications to the Articles of the by-laws relating to the amount of the share capital and number of shares of which it is composed.

Article 11 – Threshold crossing

Any shareholder, acting alone or in concert, without prejudice to the thresholds referred to in Article L. 233-7, paragraph 1 of the French Commercial Code, holding directly or indirectly at least 3% of the capital or voting rights of the Company is required to inform the Company, by registered letter with acknowledgment of receipt sent to the registered office, within a period of fifteen days from the crossing of the ownership threshold.

Said declaration must also be made when the holding in the share capital falls below the abovementioned threshold.

Furthermore, it must also state the number of shares already issued or the voting rights that it may acquire or dispose of by virtue of an agreement or financial instrument as provided at point b) of the third paragraph of Article L. 233-7 of the French Commercial Code.

Non-compliance with the declarations of the crossing of thresholds, both legal and statutory, gives rise to the removal of voting rights under the conditions laid down by Article L. 233-14 of the French Commercial Code at the request of one or several shareholders holding together at least 3% of the capital or voting rights of the Company.

Part III – Administration and control of the Company

Article 12 – Board of Directors

1 - Composition

The Company is administered by a Board of Directors with at least three and at most eighteen members, subject to the legal exemption permitted in the event of mergers.

The directors are appointed or renewed in their functions by the Ordinary Shareholders' General Meeting which may revoke them at any time.

However, further to a merger or demerger, the directors may be appointed by the Extraordinary Shareholders' General Meeting.

The directors may be natural persons or legal entities. Directors who are legal entities are required to designate a permanent representative upon their appointment and such permanent representative shall be subject to the same conditions and obligations and shall incur the same civil and criminal liabilities as if he or she was a director acting on his or her own behalf, without prejudice to the joint and several liability of the legal entity that he or she represents.

When the legal entity terminates the appointment of its representative, it must notify this termination to the Company immediately *via* recorded delivery letter and, in accordance with the same methods, appoint a new permanent representative; this is also the case following the death or resignation of the permanent representative.

A natural person cannot simultaneously hold more than five positions as director or member of the Supervisory Board of joint stock corporations (*sociétés anonymes*) having their registered offices in France, subject to the reserves, limits, and conditions set by law and regulation.

Any director who is a natural person who, when accepting a new position, is in violation of the provisions of the previous paragraph, must, within three months of his or her appointment, resign from one of his or her positions. He or she shall otherwise be automatically deemed as having resigned from his or her new position.

An employee of the Company may be appointed director only if his or her employment contract precedes his or her appointment and corresponds to actual employment. The number of directors bound to the Company by an employment contract may not exceed one-third of the directors in office.

2 - Age limit - Term of office

No person can be appointed as a director if, having reached the age of seventy, his or her appointment would take the number of directors over this age to more than one third. The number of directors having reached the age of seventy cannot be more than one third of the members of the Board of Directors. If this limit is reached, the oldest director is then automatically deemed as having resigned.

The term of office of directors is 3 years. The terms of office of the directors sitting on the Board on the date of the Shareholders' General Meeting of July 25, 2016 are reduced to 3 years.

The director's duties expire at the end of the Shareholders' General Meeting that is called to vote on the financial statements of the past fiscal year and held in the civil year during which their term of office expires. The directors may always be re-elected.

3 - Vacancies - Co-opting

The Board of Directors may make appointments on a provisional basis, in the circumstances and under the conditions established by law.

4 - Observer

The Shareholders' General Meeting may appoint an observer to the Board of Directors. The term of office of the observer is two (2) years and may be renewed without limitation. If the position of observer falls vacant in the period between two General Meetings, the Board of Directors may appoint a replacement on a provisional basis. This appointment is then subject to ratification at the next Ordinary Shareholders' General Meeting. Any observer appointed as a replacement for an observer whose term of office has not expired then remains in office only for the remainder of his predecessor's term of office. The age limit for the observer is seventy years. Any observer who reaches this age is automatically deemed as having resigned at the next Ordinary Shareholders' General Meeting. The observer is convened to attend meetings of the Board of Directors and takes part in deliberations in an advisory capacity. He receives directors' fees under the same terms and conditions as the directors if the Board of Directors so decides.

Article 13 – Directors' shares

Pursuant to Article L. 225-25 of the French Commercial Code, any natural person or legal entity may be appointed as director of the Company without any requirement to hold one or more shares in the Company.

Article 14 – Office of the Board of Directors

The Board of Directors shall elect a Chairman from among its individual members, and shall set the duration of his or her term of office, which may not exceed the duration of his or her term of office as a director.

The Chairman of the Board of Directors must not be over seventy. Should he reach this age, he shall automatically be deemed as having resigned.

The Board may appoint a secretary for each meeting who may or may not be a member of the Board.

At each meeting, if the Chairman is absent or unable to act, the Board appoints one of its members in attendance to chair the meeting.

Article 15 – Deliberations of the Board of Directors

1 - The Board of Directors meets as often as is required by the interests of the Company, when convened by the Chairman.

The Chief Executive Officer or at least one half of the members of the Board of Directors may also ask the Chairman to convene a meeting of the Board of Directors to discuss a specific agenda.

In addition, when no meeting has been held for more than two months, a minimum of one third of the members of the Board of Directors may ask the Chairman to convene a meeting of the Board to discuss an agenda set by such directors.

In these latter two cases, the Chairman is bound by those requests submitted thereto and must convene the meeting of the Board of Directors to discuss the specific agenda.

The meeting takes place either at the registered office or in any other place as indicated in the convening notice, which may be outside of France. The detailed methods applicable to the convening of meetings of the Board of Directors are stipulated in the Internal Regulations of the Board of Directors.

An attendance register is kept and signed by all directors taking part in the meeting of the Board of Directors.

In order to have valid decisions, at least one half of the directors must be effectively present. However, those directors taking part in the meeting *via* videoconference or telecommunication methods are deemed to be present for the calculation of the quorum and majority, under the conditions set by the applicable laws and regulations.

A director may grant power of attorney to another director to act as his representative, even *via* letter or fax. During a single meeting, each director may hold one such power of attorney only.

2 - The Board may legally deliberate only if at least one half of its members are present.

Decisions are made on the basis of a majority of those members present or represented. The Chairman does not have a casting vote.

3 - The deliberations of the Board are recorded in minutes drawn up in accordance with the legal provisions in force, and signed by the meeting Chairman and one director, or, if the meeting Chairman is unable to act, by two directors, without however the omission of this formality leading to the decisions made being null and void.

The meeting minutes state the names of those directors present, deemed present as per Article L. 225-37 of the French Commercial Code, excused, or absent. The meeting minutes acknowledge the presence or absence of those individuals or entities convened to attend the meeting of the Board of Directors pursuant to a provision of law, and the presence of any other individual having been in attendance for all or part of the meeting. They also refer to the potential occurrence of any technical incidents relating to videoconferencing or telecommunications when this has interrupted the conduct of the meeting.

Copies of or extracts from minutes of the resolutions can be legally certified by the Chairman of the Board of Directors, by the Chief Executive Officer, any director who has been temporarily authorized to perform the duties of the Chairman, or any proxy-holder authorized for such purpose.

The directors, as well as any other natural person required to attend meetings of the Board, are bound to discretion with regard to all confidential information which is identified as such by the Chairman of the meeting.

Article 16 – Powers of the Board of Directors

1 - The Board of Directors determines the guidelines for the Company's business and oversees their implementation. Subject to the powers expressly attributed to the Shareholders' General Meetings and within the limit of the Company's corporate purpose, it shall consider any issue affecting the smooth functioning of the Company and shall resolve the matters relating to it. To this end, the Chairman represents the Board of Directors; in addition, he may delegate his authority to any proxies of his choice.

In its relations with third-parties, the Company is bound even by the actions of the Board of Directors that fall outside the scope of the corporate purpose, unless it proves that the third-party knew that the action was beyond said scope or that it could not have been unaware of it given the circumstances, and the mere disclosure of the by-laws shall not constitute proof thereof.

The Board of Directors shall perform the checks and verifications that it deems appropriate.

Article 17 – Executive management - Delegation of authority - Corporate signing powers

1 - The executive management of the Company is performed, at his responsibility, either by the Chairman of the Board of Directors, or by another natural person who may or may not be a director, appointed by the Board of Directors and having the title Chief Executive Officer.

In accordance with Article L. 225-55 of the French Commercial Code, the Board of Directors determines the term of the position of the Chief Executive Officer. The Chief Executive Officer may be dismissed at any time by the Board of Directors. If the dismissal is without due cause, this may lead to the payment of damages unless the Chief Executive Officer takes up the duties of Chairman of the Board of Directors.

The Board of Directors selects one of two methods for the executive management of the Company. It deliberates in accordance with the conditions set out in Article 15.2 of the by-laws. However, the Chairman of the meeting does not have a casting vote if there is no clear majority.

Subject to those powers expressly allocated by law to Shareholders' General Meetings and to the powers reserved in particular for the Board of Directors and the Chairman of the Board of Directors, as well as those resolutions submitted to the Board of Directors for prior authorization in accordance with the Board of Directors' internal regulations, the Chief Executive Officer is vested, within the limits of the corporate purpose, with the widest possible powers to act in the name of the Company under all circumstances.

The Chief Executive Officer is bound by the provisions of Article L. 225-94-1 of the French Commercial Code in relation to holding simultaneously the positions of Chief Executive Officer, member of the Executive Board, single Chief Executive Officer, director, or member of the Supervisory Board of joint-stock companies having their registered office in France.

2 - Further to a proposal by the Chief Executive Officer, the Board may appoint one or several natural persons, up to a maximum of five, responsible for assisting the Chief Executive Officer, having the title Deputy Chief Executive Officer.

3 - The Deputy Chief Executive Officers are tasked with assisting the Chief Executive Officer to whom they report on all acts of management and, for this purpose, they hold powers, the scope and term of which are determined by the Board in agreement with the Chief Executive Officer. With regard to third parties, they each individually have the same powers as the Chief Executive Officer.

In the event of the death, dismissal, or dismissal of the Chief Executive Officer, unless otherwise decided by the Board, the Deputy Chief Executive Officer or Officers retain their positions and duties until such time as the new Chief Executive Officer has been appointed.

The Deputy Chief Executive Officer or Officers may be dismissed at any time by the Board of Directors, further to a proposal from the Chief Executive Officer.

4 - The Chief Executive Officer or each of the Deputy Chief Executive Officers is authorized to grant sub-delegations or substitutions of power for one or several specific transactions or specific categories of transaction.

Article 18 – Compensation paid to the directors, the Chairman, the Chief Executive Officers, and agents of the Board of Directors

1 - As compensation for their activities, the Shareholders' General Meeting may allocate the directors and the observer a fixed annual amount as directors' fees. The Board of Directors decides whether directors' fees are to be paid to the observer and may allocate this compensation at its discretion between its members.

When the Board of Directors is not composed in accordance with the first paragraph of Article L. 225-18-1 of the French Commercial Code, the payment of the compensation described in the previous paragraph is suspended. Payment may re-start once the composition of the Board of Directors becomes compliant, including any arrears accrued during the suspension period.

2 - The compensation paid to the Chairman of the Board of Directors and that of the Chief Executive Officer and, as applicable, of the Deputy Chief Executive Officer(s), is determined by the Board of Directors in accordance with the terms and conditions of Article L. 225-37-2 of the French Commercial Code. This may be fixed or variable, or both fixed and variable.

3 - The Board of Directors may allocate exceptional compensation for assignments or appointments entrusted to directors; in this case, this compensation, recorded as operating costs, is subject to approval from the Ordinary Shareholders' General Meeting, under the conditions set out in Article 23 of the by-laws.

4 - Subject to Articles L. 225-21-1, L. 225-22, L. 225-23, L. 225-27 and L. 225-27-1 of the French Commercial Code, directors cannot receive any compensation from the Company on a permanent or temporary basis other than that defined in Articles L. 225-45, L. 225-46, L. 225-47 and L. 225-53 of said Code.

Article 19 – Related-party agreements by and between the Company and a director, the Chief Executive Officer, a Deputy Chief Executive Officer, or a shareholder holding more than 10% of the voting rights

Any agreement entered into directly or indirectly by and between the Company and its Chief Executive Officer, any one of the Deputy Chief Executive Officers, any one of its directors, or any one of its shareholders holding more than 10% of the voting rights or, if this shareholder is a company, the company controlling it as per Article L. 233-3 of the French Commercial Code, must be submitted for prior authorization to the Board of Directors and then, further to the statutory auditors' special report, for ratification by the Ordinary Shareholders' General Meeting.

This is also the case for any agreements in which one of the individuals listed above is indirectly interested.

These provisions are also applicable to all agreements by and between the Company and any other company if the Chief Executive Officer, any one of the Deputy Chief Executive Officers, or any one of the directors of the Company is owner, shareholder with unlimited liability, manager, director, member of the Supervisory Board, or, more generally, executive officer of such company, subject to those exceptions defined by law.

In accordance with Article L. 225-39 of the French Commercial Code, the provisions set out above are not applicable to any agreements relating to day-to-day business and entered into under normal terms and conditions, or to any agreements executed by and between two companies where one company is, either directly or indirectly, the sole shareholder of the other (if applicable, after deduction of the minimum number of shares required to comply with the requirements of Article 1832 of the French Civil Code or of Articles L. 225-1 and L. 226-1 of the French Commercial Code.

In accordance with Article L. 225-40 of the French Commercial Code, the interested party must inform the Board of Directors immediately upon becoming aware of any agreement covered by Article L. 225-38 of the French Commercial Code. This party may not then take part in the vote on the request for authorization. The Chairman of the Board of Directors informs the statutory auditors on any authorized and concluded agreements and submits them to the Shareholders' Ordinary General Meeting for approval. The statutory auditors present a special report on these agreements to the Shareholders' Ordinary General Meeting, which provides a decision on this report. The interested party may not take part in the vote, and its shares shall not be taken into account to calculate quorum and majority.

Article 20 – Statutory auditors

One or several principal statutory auditors are appointed and carry out their audit assignments in accordance with the law.

Their permanent assignment, excluding any involvement in management, is to verify the books and records and figures used by the Company, and to verify the accuracy and compliance of the statutory financial statements.

Part IV – Shareholders' General Meetings

Article 21 – Convening a Shareholders' General Meeting

Collective shareholder resolutions are adopted at Shareholders' General Meetings which are classified as ordinary, extraordinary, or special, depending on the type of resolutions to be adopted.

1 - Shareholders' General Meetings are convened in accordance with the legal requirements.

They are held at the registered office or in any other place as indicated in the convening notice.

Meetings are convened at least fifteen days prior to the date of the Shareholders' General Meeting, either *via* a notice published in a newspaper authorized to carry legal notices in the district of the registered office, or *via* recorded delivery letter, or *via* simple letter, addressed to each shareholder.

If the Shareholders' General Meeting has failed to achieve the required quorum, the second Shareholders' General Meeting or, if applicable, the second extended Shareholders' General Meeting, are convened with at least six days' notice, in the same manner as the first. The convening letters and notice for this second Shareholders' General Meeting repeat the date and agenda used for the first.

2 - The agenda for the Shareholders' General Meeting is featured in the convening letters and notice; it is set by the author of the convening notice.

The Shareholders' General Meeting can deliberate only on those matters featured on the agenda which cannot be modified in the second convening notice; nevertheless, it may, under all circumstances, dismiss one or several directors and proceed with the appointment of their replacements.

One or several shareholders representing at least that percentage of the share capital defined by law, and acting under the conditions and within the deadline set by law, may require the addition of draft resolutions to the agenda.

3 - Any shareholder, irrespective of the number of shares held thereby, has the right to attend Shareholders' General Meetings and take part in its deliberations either in person or *via* a proxy, or to cast a postal vote in accordance with the legal and regulatory conditions.

Each shareholder may be represented by any person of his choice, in accordance with Article L. 225-106 of the French Commercial Code. When the shareholder is represented by a person other than his or her spouse or civil partner, he or she is informed by the relevant proxy of any fact enabling the risk of such agent having interests other than his or her own to be assessed.

Each shareholder may cast a postal vote under the legal requirements.

The Board of Directors may decide that voting at the Shareholders' General Meeting may be cast remote transmission or *via* videoconferencing, under the conditions set by the regulations. This option must be mentioned in the convening notice.

Shareholders may, under the conditions set by law and the regulations, send their proxy forms and postal voting forms for any Shareholders' General Meeting either in the form of a hard copy returned to the Company, at the registered office, up to three days prior to the date of the meeting, or, if decided by the Board and stipulated in the convening notice, by remote transmission up to three days before the date of the meeting.

The presence of the shareholder at the Shareholders' General Meeting, either in person or, if the option has been granted, by remote transmission or *via* videoconference, cancels any postal vote already cast and/or any proxy previously granted by such shareholder.

The legal representatives of shareholders deprived of legal capacity and individuals who represent legal entity shareholders take part in Shareholders' General Meetings, irrespective of whether they are shareholders on a personal basis.

4 - For each Shareholders' General Meeting, an attendance sheet is kept, featuring all of the legally-required information.

This attendance sheet, duly signed by the shareholders and by any proxy-holders, and to which are attached as a schedule the powers of attorney granted to each proxy-holder and, if applicable, the postal voting forms, is certified by the office of the Shareholders' General Meeting.

Shareholders' General Meetings are chaired by the Chairman of the Board of Directors. In his absence or if the Board has failed to authorize another of its members among the attendees pursuant hereto to chair the Shareholders' General Meeting, the latter then elects its own Chairman.

The duties of tellers are performed by whichever two members of the Shareholders' General Meeting, present and agreeing to acting in this capacity, who hold either individually or as proxy-holders, the largest number of votes.

The office appoints a secretary, who is not required to be a shareholder.

The members of the office are tasked with verifying, certifying, and signing the attendance sheet, ensuring that discussions are held in the correct manner, resolving any incidents during the meetings, verifying the votes cast, ensuring the compliance of the voting, and ensuring minutes are prepared.

Minutes are drafted and copies of or extracts from the deliberations are issued and certified in accordance with the law.

Article 22 – Quorum - Voting

Double voting rights compared with those conferred on other shares, with regard to the percentage of the share capital thereby represented, are allocated as from August 31, 2000 to all fully paid-up shares proven to have been held in registered form for at least 2 years in the name of the same shareholder.

In addition, in the event of a capital increase *via* the incorporation of reserves, profits, or issue premiums, double voting rights are conferred as from the date of issuance on those registered shares allocated for free to a shareholder on the basis of previous shares for which such right was also granted.

Article 23 – Ordinary Shareholders' General Meetings

The Ordinary Shareholders' General Meeting makes all decisions beyond the scope of the powers of the Board of Directors and not reserved for the Extraordinary Shareholders' General Meeting.

An Ordinary Shareholders' General Meeting is held at least once per year, within six months following the end of the fiscal year, to vote on the financial statements for such fiscal year, subject to any extension that may be granted by court order.

It shall validly deliberate only, when convened for the first time, if those shareholders either present or represented, or casting a postal vote, or voting by remote transmission or *via* videoconferencing, hold at least one fifth of those shares having voting rights.

No quorum is required when convened for a second time.

Resolutions are adopted on the basis of a simple majority of the votes held by those shareholders either present or represented or casting a postal vote.

Article 24 – Extraordinary Shareholders' General Meetings

The Extraordinary Shareholders' General Meeting may modify all provisions of the by-laws and, in particular, decide on the conversion of the Company into a company having a different form, civil or commercial. They cannot however increase the commitments made by the shareholders, subject to any transactions resulting from a duly completed grouping together of shares.

The Extraordinary Shareholders' General Meeting may only validly deliberate if those shareholders either present or represented or casting a postal vote or voting by remote transmission or *via* videoconference hold at least, when convened for the first time, one quarter or, when convened for the second time, one fifth of those shares having voting rights. Should this second quorum not be achieved, the second Shareholders' General Meeting may be postponed to a date no more than two months later than the date for which it was initially convened.

An Extraordinary Shareholders' General Meeting votes on the basis of a two-thirds majority of the votes held by those shareholders either present or represented or casting a postal vote or voting by remote transmission or *via* videoconference, unless otherwise permitted by law.

Article 25 – Shareholders' Special Meetings

Preferred shareholders meet in a Shareholders' Special Meeting for any proposed modification of the rights attached to the preferred shares, it being stipulated that all collective resolutions within the competence of the Ordinary or Extraordinary Shareholders' General Meeting of the Company are not subject to approval from the Shareholders' Special Meeting. For all intents and purposes, it is specified that the following shall not be submitted for approval to Special General Meetings of the holders of existing preferred shares (without limitation):

- the conversion of the preferred shares in application of Article 10.4 of these by-laws; and
- the buy-back and/or cancellation of any shares within the context (i) of the buy-back of preferred shares by the Company in application of Article 10.4 of these by-laws, (ii) of the implementation of share buy-back programs under the conditions pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, and (iii) of buy-back public offer for the ordinary shares or any class of preferred shares.

However, in accordance with the provisions of Article L. 228-17 of the French Commercial Code, any contemplated merger or demerger of the Company in the context of which preferred shares could not be exchanged for shares having the equivalent specific rights shall be submitted for approval to ay relevant Shareholders' Special Meeting.

Special Meetings validly deliberate only if those shareholders present or represented hold at least one third when convened for the first time or one fifth when convened for the second time of those preferred shares having voting rights. They vote on the basis of a two-thirds majority of the voting rights held by holders of preferred shares of the same class, in person or by proxy.

If the share capital is modified or redeemed, the rights of preferred shareholders are adjusted to maintain their rights in accordance with Article L. 228-99 of the French Commercial Code.

Part V – Fiscal year- Financial statements - Allocation and distribution of profits

Article 26 – Fiscal year

The fiscal year is defined in Article 1.

Article 27 – Inventory - Annual financial statements

All corporate transactions are duly accounted for, in accordance with the law and with business practice.

At the end of each fiscal year, the Board of Directors compiles an inventory describing the various assets and liabilities. It also prepares the annual financial statements in accordance with the provisions of Part II of Book 1 of the French Commercial Code.

A statement of all security interests, endorsements, and guarantees granted by the Company and a statement of all sureties granted thereby are attached as a schedule to the balance sheet statement.

The Board of Directors draws up a management report containing the details required by law.

The management report includes, as applicable, a report on the management of the Group when the Company must prepare and publish consolidated financial statements in accordance with the conditions defined by law.

If applicable, the Board of Directors prepares provisional accounting documents under the conditions defined by law.

All such documents are provided to the statutory auditors in accordance with the legal and statutory conditions.

Article 28 – Allocation and distribution of profits

Those amounts to be allocated to the legal reserves are first of all deducted from the profits for each fiscal year minus if applicable any losses carried forward. Therefore 5% is deducted to create the legal reserve; this deduction is no longer mandatory once the said legal reserve reaches the equivalent of one tenth of the share capital; it becomes mandatory once more if, for any reason whatsoever, the legal reserve falls below this threshold.

The profits available for distribution are composed of the fiscal year profits minus any losses carried forward and all amounts allocated to the reserves in application of the law and the by-laws, plus any profits carried forward.

From these profits, the Shareholders' General Meeting then deducts any amounts it considers appropriate to allocate to any ordinary or extraordinary optional reserves, or to carry forward again.

The balance (if any) is then divided between all of the shares in direct proportion to the paid-up and not redeemed amount thereof.

However, other than further to a share capital decrease, no distribution can be paid out to shareholders when the equity capital is or would become as a result thereof less than the equivalent of the share capital plus any reserves not available for distribution in application of the law or the by-laws.

The Shareholders' General Meeting may vote to distribute certain amounts deducted from the optional reserves, either to provide or complete a dividend, or as an exceptional distribution; in this case, the resolution must expressly stipulate the reserve accounts from which such deductions are to be made. However, dividends are distributed in priority from the fiscal year profits available for distribution.

Losses (if any) are, once the financial statements have been approved by the Shareholders' General Meeting, recorded in a special account to be offset against the profits recorded in future fiscal years until extinguished.

Article 29 – Dividend payments

The Shareholders' General Meeting, voting on the financial statements for the fiscal year, has the option to grant each shareholder, for all or part of the dividend payment or of any interim dividend, an option between payment of the dividend or interim dividend in cash or in shares.

The detailed methods for the payment of dividends in cash are set by the Shareholders' General Meeting or, otherwise, by the Board of Directors.

However, the payment of dividends must take place within a maximum of nine months following the end of the fiscal year, unless an extension is granted by the courts.

When a balance sheet prepared during or at the end of the fiscal year and certified by the statutory auditors shows that, since the end of the previous fiscal year, after establishing the necessary provisions and depreciation, after deduction if necessary of any losses carried forward and of any amounts to be allocated to the reserves in application of the law or the by-laws and after taking into account any profits carried forward, the Company has recorded a profit, an interim dividend may be paid prior to the approval of the financial statements for the fiscal year. The value of such interim dividends cannot exceed the value of the profits thereby defined.

The Company cannot require the shareholders to repay any dividends unless the distribution was carried out in violation of the law and the Company establishes that the beneficiaries were aware of the unlawful nature of such distribution at the moment of payment or could not have been unaware of this fact given the circumstances.

Requests for repayment are time barred three years after the payment of such dividends. Any dividends not claimed within five years of their release for payment are then time barred.

Part VI – Significant losses - Purchase by the Company - Company conversion - Dissolution - Liquidation

Article 30 – Equity capital equal to less than one half of the share capital

If, due to losses recorded in the accounting documents, the Company's equity capital were to become equal to less than one half of the share capital, the Board of Directors must, within the four months following the approval of the financial statements showing such losses, convene an Extraordinary Shareholders' General Meeting in order to vote on the early dissolution of the Company.

If the decision is made not to dissolve the Company, the share capital must, subject to the provisions of law relating to the minimum capital and within the deadline set by law, be reduced by an amount equal to the value of all losses which have not been offset against the reserves if, within this deadline, the equity capital has not been returned to a level at least equal to one half of the share capital.

In all cases, the resolution approved by the Shareholders' General Meeting must be published in the manner defined by the applicable statutory provisions.

In the event of failure to comply with these requirements, any interested party may apply to the courts to have the Company dissolved. This is also the case if the shareholders have been unable to validly deliberate.

However, the court may not order the dissolution of the Company if, on the date on which a judgment on the merits is handed down, the situation has been remedied.

Article 31 – Acquisition by the Company of an asset owned by a shareholder

If, in the two years after its incorporation, the Company acquires an asset belonging to a shareholder of a value equal to at least one tenth of the share capital, an Appraiser, tasked with assessing the value of such asset, at his responsibility, is appointed *via* court order at the request of the Chairman of the Board of Directors.

The Appraiser's report is made available to the shareholders. The Ordinary Shareholders' General Meeting votes on the valuation of the assets, as a requirement for the acquisition to be valid.

The vendor cannot cast a vote either on his own behalf or as a proxy.

These provisions do not apply when the acquisition is made through the purchase of shares on the stock market or under the supervision of the courts, or in the context of the Company's day-to-day business and executed under usual terms and conditions.

Article 32 – Conversion

The Company may be converted into a Company of a different form if, at the moment of the conversion, it has existed for at least two years and if it has prepared and has had approved by the shareholders its balance sheets for the first two fiscal years.

The conversion decision is adopted on the basis of a report by the Company's statutory auditors which must confirm that the equity is at least equal to the share capital.

The conversion of the Company into a partnership (*société en nom collectif*) must be approved unanimously by the shareholders; in this case, the conditions set out above are not required.

The conversion of the Company into a limited partnership or a partnership limited by shares (*société en commandite simple ou par actions*) must be approved under the conditions defined for the change of the by-laws and with the consent of all shareholders who are to become the general partners.

The conversion of the Company into a limited liability company (*société à responsabilité limitée*) must be approved under the conditions defined for the change of the by-laws of companies of this type.

Article 33 – Dissolution - Liquidation

Other than those cases of court-ordered dissolution defined by law, and unless duly extended, the Company is dissolved on the expiry of the term set by the by-laws or further to a resolution adopted by the Extraordinary Shareholders' General Meeting.

One or several liquidators are then appointed by this Extraordinary Shareholders' General Meeting, under the quorum and majority conditions required for Ordinary Shareholders' General Meetings.

The liquidator represents the Company. All Company assets are liquidated and all liabilities are settled by the liquidator who is vested with the widest possible powers. The liquidator then allocates the available balance.

The Shareholders' General Meeting may authorize the liquidator to continue any current business or to undertake new business for the requirements of the liquidation.

The net assets remaining after the repayment of the par value of the shares is divided equally between the shares.

If the entire share capital is held by one shareholder, any potential resolution deciding on the dissolution, whether voluntary or court-ordered, then leads, under the conditions defined by law, to the transfer of all assets and liabilities of the Company to the sole shareholder, without liquidation.

Part VI – Disputes

Article 34 – Disputes

Any disputes that may arise during the course of the existence of SOITEC or during its liquidation, either between the shareholders themselves or between the shareholders and SOITEC, on the basis of these by-laws shall be settled in accordance with the law and submitted to the courts having jurisdiction.

9.2 DOCUMENTS ON DISPLAY

9.2.1 LIST OF DOCUMENTS ON DISPLAY

All regulatory information within the meaning of Article 221-1 of the AMF's General Regulations is available on the Company's website (www.soitec.com), in the "Company - Investors" section.

To this end, the following key documents relating to the three fiscal years preceding the publication of this Registration Document may in particular be consulted and downloaded:

- the Registration Document filed with the AMF on July 4, 2016 under the reference D.16-0665;
- the Registration Document filed with the AMF on July 4, 2017 under the reference D.17-0720;
- the Registration Document filed with the AMF on June 18, 2018 under the reference D.18-0586;
- the monthly statements relating to the total number of voting rights and the total number of shares forming our Company's share capital, established in application of Article 223-16 of the AMF General Regulations; and
- financial press releases.

Other information and documents made available to the shareholders under the legal and statutory requirements may also be consulted electronically and downloaded from our Company website (www.soitec.com), in the "Company - Investors" section, including the updated by-laws of our Company and all documents relating to Shareholders' General Meetings.

In addition, a copy of the deed of incorporation of our Company may be made available to any interested party in hard copy at the registered office located at Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France (telephone: + 33 4 76 92 75 00).

9.2.2 LIST OF PRESS RELEASES ISSUED BY OUR COMPANY

During the three fiscal years preceding the publication of this Registration Document, and up until the date of filing thereof, the following press releases were issued by our Company and published on the Company's website (www.soitec.com):

- June 17, 2019: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2019;
- June 13, 2019: Soitec hosts its 2019 Capital Markets Day;
- June 12, 2019: 2018-2019 annual results ;
- June 6, 2019: GLOBAL FOUNDRIES and Soitec announce multiple longterm SOI wafer supply agreements to meet accelerating demand in 5G, IoT and data centers;
- May 27, 2019: Soitec announces changes to its Board of Directors;
- May 16, 2019: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2019;
- May 13, 2019: Soitec expands its engineered substrate portfolio into GaN (Gallium Nitride) with the acquisition of EpiGaN nv;
- April 17, 2019: Soitec reports FY'19 fourth quarter revenues;
- April 11, 2019: Information relating to the total number of voting rights and shares forming the share capital as of March 29, 2019;
- March 28, 2019: Soitec announces changes to Board of Directors;
- March 26, 2019: Soitec and A*STAR launch joint program to develop a new layer transfer process for advanced packaging;
- March 18, 2019: Soitec announces direct sales operation in China;
- March 7, 2019: Information relating to the total number of voting rights and shares forming the share capital as of February 28, 2019;
- February 25, 2019: Soitec joins China Mobile 5G innovation center;
- February 19, 2019: Soitec and Simgui announce enhanced partnership and increased production capacity for 200 mm SOI wafers in China, securing future growth;
- February 14, 2019: Soitec becomes strategic partner of Silicon Catalyst start-up incubator;
- February 12, 2019: Information relating to the total number of voting rights and shares forming the share capital as of January 31, 2019;
- January 21, 2019: Soitec expands collaboration with Samsung Foundry on FD-SOI wafer supply;
- January 21, 2019: Soitec reports FY'19 third quarter revenues;

- January 10, 2019: Information relating to the total number of voting rights and shares forming the share capital as of December 31, 2018;
- December 14, 2018: Information relating to the total number of voting rights and shares forming the share capital as of November 30, 2018;
- November 28, 2018: Soitec reports first half of FY'19 results;
- November 21, 2018: Information relating to the total number of voting rights and shares forming the share capital as of October 31, 2018;
- November 14, 2018: Soitec's SOI wafers at the heart of new Renesas SOTB™ energy harvesting chipset;
- October 19, 2018: Information relating to the total number of voting rights and shares forming the share capital as of September 30, 2018;
- October 17, 2018: Soitec reports FY'19 second quarter revenues;
- September 17, 2018: Information relating to the total number of voting rights and shares forming the share capital as of August 31, 2018;
- August 21, 2018: Soitec and MBDA to acquire Dolphin Integration assets;
- August 6, 2018: Information relating to the total number of voting rights and shares forming the share capital as of July 31, 2018;
- July 31, 2018: Soitec announces decisions taken by its Board of Directors during its meeting held on July 26, 2018;
- July 27, 2018: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018;
- July 18, 2018: Soitec reports FY'19 first quarter revenues;
- July 11, 2018: Information relating to the total number of voting rights and shares forming the share capital as of June 30, 2018;
- July 10, 2018: Leti and Soitec Launch a new substrate innovation center to develop engineered substrate solutions;
- July 5, 2018: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2018 – Availability of the supporting documents;
- June 21, 2018: Soitec announces the success of its offering of Bonds Convertible into and/or exchangeable for New or Existing Ordinary Shares ("OCEANE"), due June 2023, for a nominal amount of approximately €150 million;
- June 21, 2018: Soitec launches an offering of Bonds Convertible into and/or exchangeable for New or Existing Ordinary Shares ("OCEANE"), due June 2023, for a nominal amount of approximately €150 million;
- June 19, 2018: Availability of the 2017-2018 Registration Document - "Financial Reports" section;
- June 13, 2018: Full year 2017-2018 results;
- June 8, 2018: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2018;
- May 29, 2018: Soitec commends the establishment of an Industry Strategic Committee under the aegis of the National Industry Council (*Conseil national de l'industrie* (CNI)) as well as the launch of the "Nano2022" plan;
- May 23, 2018: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2018;
- April 25, 2018: Information relating to the total number of voting rights and shares forming the share capital as of March 31, 2018;
- April 18, 2018: Soitec reports FY'18 fourth quarter and annual revenues;
- April 3, 2018: Soitec accelerates its recruitment plan to support its growth momentum;
- March 26, 2018: Information relating to the total number of voting rights and shares forming the share capital as of February 28, 2018;
- March 23, 2018: Ordinary and Extraordinary Shareholders' General Meeting of March 23, 2018;
- March 2, 2018: Ordinary and Extraordinary Shareholders' General Meeting of March 23, 2018 – Availability of the supporting documents;
- February 16, 2018: Information relating to the total number of voting rights and shares forming the share capital as of January 31, 2018;
- January 19, 2018: Information relating to the total number of voting rights and shares forming the share capital as of December 31, 2017;
- January 17, 2018: Soitec reports FY'18 third quarter revenues;
- December 14, 2017: Information relating to the total number of voting rights and shares forming the share capital as of November 30, 2017;
- December 4, 2017: Soitec hosts its first Capital Market Day;
- November 30, 2017: Soitec announces substrate breakthrough for 3D image sensing devices;
- November 29, 2017: After reorganizing the Company governance, Victoire de Margerie has decided to step down as Chairman of the Board of Directors of Soitec;
- November 29, 2017: Half-Year results for FY 2017-2018;
- November 14, 2017: Information relating to the total number of voting rights and shares forming the share capital as of October 31, 2017;
- October 20, 2017: Information relating to the total number of voting rights and shares forming the share capital as of September 30, 2017;
- October 18, 2017: Soitec reports FY'18 second quarter revenues;
- September 29, 2017: Information relating to the total number of voting rights and shares forming the share capital as of on August 31, 2017;
- September 19, 2017: GlobalFoundries and Soitec enter into long-term supply agreement to supply FD-SOI wafers;
- September 12, 2017: Soitec launches FD-SOI pilot line in Singapore;
- August 28, 2017: Information relating to the total number of voting rights and shares forming the share capital as of July 31, 2017;
- August 9, 2017: Soitec announces the successful early amortization of its 2018 OCEANEs with a 98.74% rate of conversion rate;
- July 27, 2017: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2017;
- July 27, 2017: Change to Soitec's governance organization: dissociation of the duties of the Chairman of the Board of Directors and those of Chief Executive Officer;
- July 19, 2017: Soitec reports FY 2017-2018 first quarter revenues;
- July 13, 2017: Information relating to the total number of voting rights and shares forming the share capital as of June 30, 2017;
- July 10, 2017: Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2017: Availability of supporting documents;
- July 7, 2017: Soitec implements the early amortization of its 2018 OCEANE for an amount of €41.8 million, and continues its debt relief process;
- July 5, 2017: Availability of the 2016-2017 Registration Document in "Financial Reports";
- June 26, 2017: Information relating to the total number of voting rights and shares forming the share capital as of May 31, 2017;
- June 14, 2017: Soitec reports full year '17 results;
- May 24, 2017: Information relating to the total number of voting rights and shares forming the share capital as of April 30, 2017;
- May 11, 2017: Soitec names global industry veteran Stephen Lin to new position of Vice President of strategic business development in China;
- April 24, 2017: Information relating to the total number of voting rights and shares forming the share capital as of March 31, 2017;
- April 19, 2017: Soitec reports FY 2017 fourth quarter and annual revenues;
- March 29, 2017: Soitec announces end of patent lawsuit with SiGen;
- March 24, 2017: Information relating to the total number of voting rights and shares forming the share capital as of February 28, 2017;
- March 9, 2017: Soitec begins ramping up production of 200 mm SOI wafers in China at SOI manufacturing partner's fab fully qualified by key Soitec customers;
- February 28, 2017: Information relating to the total number of voting rights and shares forming the share capital as of January 31, 2017;
- February 8, 2017: Soitec reverse stock split has taken effect;

- January 31, 2017: Information relating to the total number of voting rights and shares forming the share capital as of December 31, 2016;
- January 30, 2017: Pascal Lobry appointed as Soitec's HR Director;
- January 25, 2017: Soitec reports FY'17 third quarter revenues;
- January 9, 2017: Launch of the reverse stock split of Soitec shares;
- December 21, 2016: Information relating to the total number of voting rights and shares forming up the share capital;
- December 8, 2016: Publication of the half-year financial statement for 2016-2017;
- December 8, 2016: Half-year results for FY 2016-2017;
- November 30, 2016: Information relating to the total number of voting rights and shares forming up the share capital;
- October 28, 2016: Information relating to the total number of voting rights and shares forming the share capital;
- October 21, 2016: Soitec acknowledges second USITC investigation and intends to vigorously defend against SiGen allegations;
- October 19, 2016: Soitec reports second quarter FY'17 revenues of €56.7 million, up 4% compared with the second quarter of FY'16 at constant exchange rates;
- September 28, 2016: Information relating to the total number of voting rights and shares forming the share capital;
- August 29, 2016: Information relating to the total number of voting rights and shares forming the share capital;
- July 20, 2016: Soitec reports first quarter FY'17 revenues of €55.4 million, up 2% (+4% at constant exchange rates) compared with the first quarter of the previous year;
- July 18, 2016: Information relating to the total number of voting rights and shares forming the share capital;
- July 7, 2016: Soitec leading European research project focused on meeting future wireless-communication requirements;
- July 5, 2016: Publication of the Registration Document 2015-2016;
- June 24, 2016: Information relating to the total number of voting rights and shares forming the share capital;
- June 16, 2016: Full year 2015-2016 results;
- June 2, 2016: Soitec received Best Quality Award from NXP Semiconductors;
- May 31, 2016: Information relating to the total number of voting rights and shares forming the share capital;
- May 23, 2016: Soitec announces withdrawal of Silicon Genesis's patent lawsuit;
- May 3, 2016: Publication of the Second Update of the Registration Document 2014-2015;
- May 2, 2016: Minutes of the Extraordinary General Meeting of April 29, 2016;
- May 2, 2016: Soitec announced the appointment of Rémy Pierre as Group Chief Financial Officer;
- April 29, 2016: Results of the Extraordinary General Meeting of April 29, 2016;
- April 14, 2016: Minutes of the Ordinary and Extraordinary General Meeting;
- April 13, 2016: Soitec announced annual revenue of €232.3 million in Electronics, up 36% (+20% at constant exchange rates);
- April 12, 2016: Results of the Ordinary and Extraordinary General Meeting of April 11, 2016;

9.3 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND FINANCIAL INFORMATION

9.3.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Mr Paul Boudre, Chief Executive Officer.

9.3.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby certify, after taking all reasonable measures to this end, that to my knowledge, the information contained in this Registration Document is in accordance with the facts and does not make any omission likely to alter its import.

I certify that, to my knowledge, the financial statements are drawn up in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position and results of the Company and all companies included in the consolidated Group, and that the management report included in this Registration Document (see Cross-reference list) presents a fair view of business developments, results and financial position of the Company and companies included in the consolidated Group and a description of the main risks and uncertainties they face.

I have obtained from the statutory auditors an assignment completion letter in which they state that they audited the information on the financial position and statements given in this Registration Document and have also read the entire Registration Document.

On July 4, 2019

Paul Boudre

Chief Executive Officer

9.4 STATUTORY AUDITORS

PRINCIPAL STATUTORY AUDITORS

KPMG S.A., represented by Mr Jacques Pierre and Mr Stéphane Devin

Tour EQHO, 2, avenue Gambetta, 92066 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

Ernst & Young Audit, represented by Mr Nicolas Sabran

Tour Oxygène, 10-12, boulevard Marius-Vivier-Merle, 69393 Lyon Cedex 03

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

ALTERNATE STATUTORY AUDITORS

Salustro Reydel (alternate for KPMG S.A.)

Tour EQHO, 2, avenue Gambetta, 92066 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

Auditex (alternate for Ernst & Young Audit)

1-2, place des Saisons, 92037 Paris La Défense Cedex

- date of first appointment: July 25, 2016;
- expiration date of this appointment: Shareholders' Ordinary General Meeting called to approve the financial statements for the year ending March 31, 2022.

9.5 STATUTORY AUDITORS' FEES

Statutory auditors' fees and fees of the members of their networks paid by our Company and its subsidiaries.

For fiscal years ended on March 31, 2018 and March 31, 2019, the fees are broken down as follows:

	2018-2019				2017-2018			
	KPMG Audit		Ernst & Young Audit		KPMG Audit		Ernst & Young Audit	
	Amount (VAT excluded) *(in € thousand)*	%	Amount (VAT excluded) *(in € thousand)*	%	Amount (VAT excluded) *(in € thousand)*	%	Amount (VAT excluded) *(in € thousand)*	%
Auditing, statutory auditor's opinion, examination of individual and consolidated financial statements								
• Issuer	162	77.15%	168	74.50%	142	74.74%	148	72.91%
• Fully consolidated subsidiaries	33	15.71%	42	18.63%	38	20%	42	20.69%
Other work and services directly related to statutory auditor's assignment								
• Issuer	15	7.14%	15.5	6.87%	10	5.26%	13	6.40%
• Fully consolidated subsidiaries	0	0%	0	0%	0	0%	0	0%
Sub-total	**210**	**100%**	**225.5**	**100%**	**190**	**100%**	**203**	**100%**
Other services provided by the networks to the fully consolidated subsidiaries								
Legal, tax, labor	0	0%	0	0%	0	0%	0	0%
Others (to be specified if > 10% of audit fees)	0	0%	0	0%	0	0%	0	0%
Sub-total	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
TOTAL	**210**	**100%**	**225.5**	**0%**	**190**	**100%**	**203**	**100%**

Crl.

Cross-reference lists

CROSS-REFERENCE LIST WITH THE ITEMS OF ANNEX 1 OF EUROPEAN REGULATION 809/2004

The cross-reference list below helps identify within this Registration Document the information mentioned in the various sections of Annex 1 to European Regulation (EC) No. 809/2004 of the European Commission, of April 29, 2004.

No.	Items of Annex 1 of Regulation 809/2004	Section	Pages
15.	**Compensation and benefits**		
15.1	Compensation and benefits in kind	4.2	135
15.2	Amounts set aside or accrued to provide pension, retirement or other benefits	4.2.6	147
16.	**Functioning of the administrative and management bodies**		
16.1	Expiry date of current terms of office	4.1.2.2	99
16.2	Service contracts applicable to members of the administrative, management, and supervisory bodies	4.1.5.8	132
16.3	Audit Committee and Compensation Committee	4.1.3	124
16.4	Compliance with the corporate governance regime in force in France	4.1.4	129
17.	**Employees**		
17.1	Number of employees	3.2.1.4	67
17.2	Shareholding and stock options	4.2.5.1	145
17.3	Employee interests in the issuer's share capital	7.2.3	240
18.	**Major shareholders**		
18.1	Shareholders with more than 5% of the share capital	7.1.2	233
18.2	Existence of different types of voting rights	7.1.6.2	235
18.3	Control of the issuer	7.1.7.2	236
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22.	**Material contracts**	**N/A**	**N/A**
23.	**Information from third parties, statements by experts, and declarations of interests**	**N/A**	**N/A**
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CROSS-REFERENCE LIST OF THE ANNUAL FINANCIAL REPORT

(in accordance with Article L. 451-1-2 of the French Monetary and Financial Code)

	Section	Pages
1. Management report	**See details in the management report's cross-reference list**	
2. Consolidated financial statements	**6.2.1**	**166**
3. Annual financial statements	**6.3.1**	**206**
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CROSS-REFERENCE LIST OF THE MANAGEMENT REPORT

The cross-reference list below helps identify within this Registration Document the information which makes up the Board of Directors' management report to the Shareholders' General Meeting required in application of Article L. 225-100 of the French Commercial Code.

This was approved by the Board of Directors of our Company on June 12, 2019, and reports on the elements referred to below, in accordance with the applicable legal and statutory provisions.

Applicable provisions		Information	Section	Pages
I. Position and business of the Company and the Group				
French Commercial Code	L. 232-1 II L. 233-26	• Position of the Company and of the Group during the past fiscal year	5.1	149
French Commercial Code	L. 225-100-1	• Objective and complete analysis of developments regarding business, results, and the financial position of the Company and of the Group	5.1.1	150
French Commercial Code	L. 225-100-1	• Key performance indicators of a financial and non-financial nature for the Company and for the Group	5.1.1 and 3.3	150 and 79
French Commercial Code	L. 232-1 II L. 233-26	• Foreseeable developments regarding the Company and the Group	5.3	160
French Commercial Code	L. 232-1 II L. 233-26	• Significant events since the end of the fiscal year	5.2	160
French Commercial Code	L. 232-1 II L. 233-26	• R&D activities of the Company and the Group	1.3.2	29
French Commercial Code	L. 233-6 L. 247-1	• Acquisitions of holdings and controlling interests in companies having their registered office in France	6.2.1.2 (note 5 A)	174
French Commercial Code	L. 233-6	• Business and results of the Company as a whole, of the Company's subsidiaries, and of companies under its control by industry sector	5.4	161
French Commercial Code	L. 232-1 II	• Existing branches of the Company	N/A	N/A
French Monetary and Financial Code	L. 511-45 R. 511-16-4	• Information on the offices and activities of the Company	1.4.2	34
II. Risk factors and characteristics of the internal control procedures				
French Commercial Code	L. 225-100-1	• Description of the main risks and uncertainties faced by the Company and the Group	2.2	45
French Commercial Code	L. 225-100-1	• Indicators on the financial risks linked to the effects of climate change and the measures adopted by the Company and the Group to reduce them	3.2.2	71
French Commercial Code	L. 225-100-1	• Objectives and policy in terms of coverage of each main category of transaction carried out by the Company and the Group	2.2.2	46
French Commercial Code	L. 225-100-1	• Company's and Group's exposure to price, credit, liquidity and cash flow risks	6.2.1.2 (note 5.4)	198
French Commercial Code	L. 225-100-1	• Main characteristics of the internal control and risk management procedures implemented by the Company and the Group relating to the preparation and processing of accounting and financial information	2.1	40

Applicable provisions		Information	Section	Pages
III. Information on the share capital				
French Commercial Code	L. 233-13	• Names of the individuals or legal entities holding directly or indirectly more than 5% of the share capital or voting rights, and changes made during the fiscal year	7.1.2	233
French Commercial Code	L. 233-13	• Names of controlled companies and percentage of the Company's share capital held	1.8 and 7.2.2.2	37 and 237
French Commercial Code	L. 225-102	• Employees' stakes in the share capital	7.1.2	233
French Commercial Code	L. 225-102	• Shares acquired by employees in the context of a corporate takeover	N/A	N/A
French Commercial Code	L. 233-29, R. 233-19	• Share disposals completed for the regularization of cross holdings	N/A	N/A
French Commercial Code	L. 225-211	• Information relating to the buy-back by the Company of its own shares	7.2.2	237
French Commercial Code	L. 225-181 L. 228-99 R. 225-137 R. 228-91	• Potential adjustments made for securities granting access to the share capital	N/A	N/A
AMF General Regulations French Monetary and Financial Code	223-26 L. 621-18-2 R. 621-43-1	• Summary of the transactions completed by the corporate officers, directors, certain executives of the Company, and any individuals with which they have a close personal relationship	4.2.5.2	146
IV. Other accounting, financial, and legal information				
French Commercial Code	L. 441-6-1 D. 441-4	• Information on terms of payment	5.4.7	163
French General Tax Code	243 bis	• Value of any dividends paid with respect to the last three fiscal years	7.1.5	235
French Commercial Code	L. 464-2	• Injunctions or financial sanctions imposed for anti-competitive practices	N/A	N/A
French Monetary and Financial Code	L. 511-4-2	• Information on those financial instruments whose underlying asset comprises of an agricultural commodity, and resources implemented by the Company to avoid having a material impact on the prices of agricultural commodities	N/A	N/A
French Monetary and Financial Code	L. 511-4-1	• Value and characteristics of all loans financed or distributed by the Company or distributed thereby as defined in part III of Article 80 of law no. 2005-32 of January 18, 2005 on programming for social cohesion and benefiting from public guarantees on this basis.	N/A	N/A
French Monetary and Financial Code	R. 511-16-1	• Return on the Company's assets	N/A	N/A
V. Social and environmental information				
French Commercial Code	L. 225-102-1	• Information on the social and environmental consequences relating to the Company, subsidiaries, and controlled companies	3	53
French Commercial Code	L. 225-102-1 R. 225-105 R. 225-105-1	• Information on the Company, subsidiaries, and controlled companies, and relating to the corporate commitments supporting sustainable development, the circular economy, the prevention of food waste, and promoting anti-discrimination and diversity	3	53
French Commercial Code	L. 225-102-1	• Collective agreements executed by the Company, subsidiaries, and controlled companies, and impact on the economic performance of the Company, subsidiaries, and controlled companies, as well as working conditions for employees	3.2.1	60
French Commercial Code	L. 225-102-2	• Information for companies using at least one type of facility featured on the list set out in Article L. 515-36 of the French Environment Code	N/A	N/A
French Commercial Code	L. 225-102-4	• Vigilance plan	N/A	N/A
VI. Appendices to the management report				
French Commercial Code	R. 225-102	• Table showing the Company's financial results for the last 5 fiscal years	6.5.1	165
French Commercial Code	L. 225-102-1 (3) R. 225-105-2	• Opinion issued by the independent third-party body retained to verify the social and environmental information provided in the management report	3.4	84

CROSS-REFERENCE LIST OF THE CORPORATE GOVERNANCE REPORT

The cross-reference list below helps identify within this Registration Document the information which makes up the Board of Directors' corporate governance report required in application of Article L. 225-37 of the French Commercial Code.

This was approved by the Board of Directors of our Company on June 12, 2019, and reports on the elements referred to below, in accordance with the applicable legal and statutory provisions.

The statutory auditors' report on the report by the Board of Directors on corporate governance is included in their report on the annual financial statements.

Applicable provisions		Information	Section	Pages
French Commercial Code	L. 225-37-2	• Information on the compensation policy for executives for the fiscal year 2018-2019	4.2.2	141
French Commercial Code	L. 225-37-3	• Total compensation and benefits of all kinds paid, during fiscal 2017-2018, to each corporate officer of the Company by the Company, the companies under its control, or its controlling company	4.2.1	135
French Commercial Code	L. 225-37-3	• Commitments of all kinds undertaken by the Company for its corporate officers	4.2.1	135
French Commercial Code	L. 225-197-1	• Holding conditions (lockup) for free shares allocated to executive corporate officers	4.1.6.3	133
French Commercial Code	L. 225-185	• Conditions governing the exercise and holding of options allocated to corporate officers	N/A	N/A
French Commercial Code	L. 225-37-4 (1)	• List of all corporate offices and duties performed within any company by each corporate officer during the fiscal year	4.1.2.3	100
French Commercial Code	L. 225-37-4 (2)	• Related-party agreements executed by and between any one of the Company's corporate officers or a shareholder with over 10% of the voting rights and a subsidiary of the Company	4.1.5.7	132
French Commercial Code	L. 225-37-4 (3)	• Summary table of delegations relating to capital increases	7.2.4.1.1	244
French Commercial Code	L. 225-37-4 (4)	• Exercise methods for the Executive Management	4.1.1	90
French Commercial Code	L. 225-37-4 (5)	• Composition and conditions governing the preparation and organization of the work of the Board	4.1.2 and 4.1.3	94 and 124
French Commercial Code	L. 225-37-4 (6)	• Application of the principle of gender balance within the Board of Directors	4.1.2.8	119
French Commercial Code	L. 225-37-4 (7)	• Limits potentially imposed by the Board of Directors on the powers of the Chief Executive Officer	4.1.1.1	90
French Commercial Code	L. 225-37-4 (8)	• Corporate Governance Code prepared by corporate representative organizations used as a reference by the Company	4.1.4	130
French Commercial Code	L. 225-37-4 (9)	• Terms related to the participation by shareholders in the Shareholders' General Meeting	8.5.5	318
French Commercial Code	L. 225-37-5	• Factors likely to have an impact in the event of a public offering	7	231
French Commercial Code	L. 225-235	• Statutory auditors' report on the Board of Directors' report on corporate governance	Included in the report on the annual financial statements featured in section 6.3.2 (page 224)	

DOCUMENTS OF THE SHAREHOLDERS' GENERAL MEETING

The documents and information required by Article R. 225-88 of the French Commercial Code (other than those listed above), as well as any additional information required in preparation for the Annual Shareholders' General Meeting, included in this Registration Document, are listed below.

The other documents required by Article R. 225-88 of the French Commercial Code are included in the convening notice sent by mail or electronically to registered shareholders. These documents, as well as this Registration Document, are published on our company website (www.soitec.com), in the section Company - Investors - Shareholders' General Meetings - 2019 – OEGM July 26, 2019.

Information	Section	Pages
• Report on the management of the Group	See details in the management report's cross-reference list	
• Special report on transactions completed in relation to stock options for fiscal year 2018-2019	7.2.4.2	253
• Special report on transactions completed on free shares allocated for fiscal 2018-2019	7.2.4.3	253
• Volume of transactions and change in share price	7.1.4.3	234
• Volume of transactions and change in value of OCEANEs	N/A	N/A
• Proposal for allocating income for fiscal year 2018-2019	8.3	290
• Description of the Company's share buy-back program that will be submitted to the vote of the Combined Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019	7.2.2.5	238
• Text of the resolutions submitted to the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019	8.2	260
• Board of Directors' report to the Ordinary and Extraordinary Shareholders' General Meeting of July 26, 2019	8.3	289
• Special report of the statutory auditors on related-party agreements and commitments	8.4	314


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G. Glossary

Key words in electronics

Wafer
Semiconductor plate, slice or wafer used as a support for manufacturing micro-structures. These micro-structures are a major component in the manufacturing of integrated circuits, transistors, power semiconductors or electromechanical microsystems.

Moore's law
Moore's law was published in 1965 in "Electronics Magazine" by Gordon Moore, a Fairchild Semiconductor engineer and one of three founders of Intel. Ascertaining that the complexity of the semiconductors proposed at range entry-level doubled every year at a constant cost since 1959, the date of their invention, he forecast the continuation of this growth (in 1965, the best-performing circuit contained 64 transistors). This exponential increase was quickly named Moore's Law, or, given the subsequent adjustment, "Moore's First Law".

Transistor
A transistor is a semiconductor device with three active electrodes, which can control a current. They are found in high numbers in processors (smartphones, computers, etc.).

More Moore
A challenge to continue the trend to manufacture ever-smaller devices for technological nodes beyond 28 nm.

Nanometer (nm)
One billionth of a meter.

More than Moore
The challenge of integrating more circuit functions and managing their growing complexity.

Compound products
Any semiconductor material composed of two or more elements is called a compound semiconductor material. Gallium arsenide (GaAs), gallium nitride (GaN), indium phosphide (InP), zinc selenide (ZnSe), and silicon carbide (SiC) are typical examples of a compound semiconductor.

Components

Substrate
Physical base, support or stand which can receive any scriptural or other element, organic, to ensure its sustainability or development.

Silicon-on-Insulator (SOI)
Structure constituted of a stacking of a layer of silicon (from a few dozen nm to a few µm thick) on an insulator layer. This technology is an alternative to raw silicon in the manufacturing of transistors operating at high frequencies.

Bulk silicon
Bulk silicon in "basic" form (unlike advanced substrates such as the SOI), whose semiconductor properties have allowed for the creation of transistors and then integrated circuits ("chips").

Industrial applications

Smart Cut™

Process allowing for transferring very fine layers of crystalline materials to a mechanical support. The application of this technological process is used mainly in Silicon-on-Insulator (SOI). The role of SOI is to electronically insulate a thin layer of mono-crystalline silicon from the rest of the silicon plate, an ultra-thin silicon film is transferred to a mechanical support, which introduces an intermediary, insulator layer. Semiconductor manufacturers can then manufacture integrated circuits on the upper layer of the SOI wafers by using the same processes they would use on raw silicon wafers.

Smart Stacking™

The Soitec Smart Stacking™ technology enables the transfer of thin layers of substrates or circuits to other substrates, in an efficient industrial environment. It is used for backlit image sensors, whose sensitivity it increases, which means that the size of the pixels can be reduced. It opens up new prospects for RF and 3D applications.

Bonded SOI

Process of bonding silicon wafers without additional intermediary layers.

FD-SOI (Fully-Depleted Silicon-on-Insulator)

FD-SOI technology is considered a low-consumption and high-performance new-generation alternative to traditional silicon technologies. The wafers used for the fully depleted flat structure transistor technology are composed of an extremely thin silicon layer on an insulating oxide layer. These wafers, adapted for mass-market mobile and multi-media applications, are able to reduce energy consumption by up to 40% compared to traditional technologies, with equivalent performances.

Epitaxy

Epitaxy means a technique involving stacking thin layers measuring just a few nanometers in width. These layers of material allow various characteristics to be introduced, in the case of the Group, in order to improve the RF performance of their future devices.

Financial

AMF

French Financial Markets Authority (*Autorité des marchés financiers*).

Bond

Contract by which a legal entity (a company, a bank, a government or a governmental organization) receives a certain amount of money from subscribers of the bonds it has issued.

The bonds bear interest that compensates the lender investors. These securities also give their holders the right to be repaid on the maturity of the bond itself. Should the Company go bankrupt, the bond holders are repaid before the shareholders.

Goodwill

Can be estimated from profitability outlooks of the investments made by the Company, taking account of the positions it has taken on its market.

The concept of goodwill corresponds to a financial valuation of the reputation, know-how and performances of the Company, as well as its positioning and the commitment of its suppliers and all its partners.

Goodwill is an element monitored closely by investors since in the event of a sale or buyout of the Company, the estimate of the value of the goodwill may provide a good foundation for discussion for determining the sale price.

IFRS standards

Accounting standards (International Financial Reporting Standards) which are applied internationally and which are defined by the International Accounting Standard Board. The IFRS standards concern the summary documents (balance sheet, profit & loss account and notes) published by the companies but also, more generally, all published financial information.

OCEANE convertible bonds

Bonds that can be converted into new shares. An OCEANE gives its holder the option of converting the bond at any time, on given dates or even at maturity. An OCEANE may also sometimes be converted when the issuer wishes depending on the terms of the issue contract.

Prospectus 3

Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

CGU (cash-generating unit)

According to the IFRS standards, a company must define the highest possible number of cash-generating units (CGU) comprising it; these CGU need to be largely independent in their operations and the Company must allocate its assets to each of these CGU. The impairment tests are performed on these CGU from time to time if there are reasons to believe that their value dropped, or every year if they include goodwill.

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