

## **SOITEC**

French corporation (*Société anonyme*) with a share capital of 60,623,021.70 Euros

Registered office: Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France

384 711 909 RCS Grenoble

### **NOTICE TO ATTEND**

Shareholders are invited to attend the Ordinary and Extraordinary Annual General Meeting to be held on Monday 25<sup>th</sup> of July, 2016 at ten o'clock in the morning (10.00 a.m.) at the registered office of the company located Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France, and, in case of lack of the required quorum, on Monday 12<sup>th</sup> of September, 2016 at ten o'clock in the morning (10.00 a.m.) at the registered office of Soitec located Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France, for the purpose of deliberating on the following agenda and draft resolutions:

### **AGENDA**

#### **Competence of the ordinary shareholders' meeting**

First resolution – Approval of the statutory financial statements for the fiscal year ended March 31, 2016

Second resolution – Approval of the consolidated statements for the fiscal year ended March 31, 2016

Third resolution – Appropriation of net income for the fiscal year ended March 31, 2016

Fourth resolution – Approval of the related-party agreements

Fifth resolution – Appointment of a new Board member

Sixth resolution – Renewal of Mr. Paul Boudre's directorship

Seventh resolution – Renewal of CEA Investissement's directorship

Eighth resolution – Renewal of Bpifrance Participations' directorship, under the condition precedent of the approval of the twenty-seventh resolution

Ninth resolution – Appointment of Ernst & Young Audit as principal statutory auditor of the Company

Tenth resolution – Appointment of Auditex as deputy statutory auditor of Ernst & Young Audit

Eleventh resolution – Appointment of KPMG S.A. as principal statutory auditor of the Company

Twelfth resolution – Appointment of Salustro Reydel as deputy statutory auditor of KPMG S.A.

Thirteenth resolution – Consultative vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2016

Fourteenth resolution – Authorization for the Board of Directors to carry out transactions on the Company's shares

## **Competence of the extraordinary shareholders' meeting**

Fifteenth resolution - Delegation of authority to be given to the Board of Directors in order to proceed with the share capital increase of the Company by issuance, with the preferential subscription right, of shares and/or any other securities giving access, immediately or in the future, to the Company's capital

Sixteenth resolution – Delegation of authority to be given to the Board of Directors in order to proceed with the share capital increase of the Company by issuance, without the preferential subscription right, of shares and/or any other securities giving access, immediately or in the future, to the Company's capital

Seventeenth resolution – Delegation of authority to be given 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 (*Code monétaire et financier*), shares and/or securities giving access, immediately or in the future, to the Company's capital, without the shareholders' preferential subscription right

Eighteenth resolution – Delegation of authority given to the Board of Directors in order to increase the issuance amount with or without the preferential subscription right within the limit of 15% of the initial issuance

Nineteenth resolution – Delegation of authority to be given to the Board of Directors in case of issuance without the preferential subscription right for shares and/or any securities giving access, immediately or in the future, to the Company's capital, in order to establish the issuance price within the limit of the 10% of the Company's share capital in accordance with the terms and conditions set out by the shareholders' meeting

Twentieth resolution – Delegation of power to be given by the Board of Directors in order to increase the share capital of the Company in return for the non-cash contributions of shares or securities giving access to the Company's capital

Twenty-first resolution – Delegation of authority to be given to the Board of Directors in order to increase the share capital by capitalization of premiums, reserves, profits or any other sum that may be capitalized

Twenty-second resolution – Delegation of authority to be given to the Board of Directors in order to increase the share capital by issuance of shares or securities giving access, immediately or in the future, to the Company's share capital in return of share contributions done within the framework of a public exchange offer initiated by the Company

Twenty-third resolution – Delegation of authority granted to the Board of Directors in order to increase the share capital by issuance of shares or securities giving access to the capital restricted to subscribers of saving plans without the preferential subscription right to the benefit of said subscribers

Twenty-fourth resolution – Authorization given to the Board of Directors to cancel, if necessary, the Company's own treasury shares up to a maximum of 10%

Twenty-fifth resolution – Authorization for the Board of Directors to proceed with the attribution of free performance shares

Twenty-sixth resolution – Reverse stock split of the Company's shares by attribution of 1 new ordinary share of 2 Euros against 20 existing ordinary shares of 0.10 Euros each – Delegation of power to the Board with possibility to sub-delegate

Twenty-seventh resolution – Modification of the duration of the term of office of the directors

Twenty-eighth resolution – Acknowledgment of the decrease of the net equity below half of the share capital and decision on whether to keep carrying out the activity in accordance with article L. 225-248 of the French Commercial Code

Twenty-ninth resolution – Power for formalities

## **DRAFT RESOLUTIONS**

### **Resolutions of the competence of the ordinary shareholders' meeting**

#### ***First Resolution – Approval of the statutory financial statements for the fiscal year ended March 31, 2016***

The Shareholders, under the conditions of quorum and majority applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors and the report of the statutory auditors on the statutory financial statements for the fiscal year ended March 31, 2016, approve the statutory financial statements as they were presented, which show a turnover of 220,309,732 Euros and a loss of (64,296,325.89) Euros, as well as the operations represented in these accounts and summarized in these reports.

The Shareholders also approve the global amount of non-deductible expenditures and charges subject to corporate tax amounting to 111,316 Euros for the fiscal year.

#### ***Second resolution – Approval of the consolidated statements for the fiscal year ended March 31, 2016***

The Shareholders, under the conditions of quorum and majority applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors and the report of the statutory auditors on the consolidated financial statements for the fiscal year ended March 31, 2016, approve the consolidated financial statements as they were presented which show a turnover of 233,194,000 Euros and the Group's net loss of (71,665,000) Euros, as well as the operations represented in these accounts and summarized in these reports.

#### ***Third resolution – Appropriation of net income for the fiscal year ended March 31, 2016***

The Shareholders, under the conditions of quorum and majority applicable to ordinary shareholders' meetings, having considered the report of the Board of Directors and the report of the statutory auditors on the annual financial statements for the fiscal year ended March 31, 2016, decide to allocate the loss for the fiscal year ended March 31, 2016, amounting to (64,296,325.89) Euros, to the carry forward account, which is brought from (821,154,076.72) Euros to (885,450,402.61) Euros.

The Shareholders acknowledge that there has not been any payment of dividends over the last three fiscal years.

#### ***Fourth resolution – Approval of the related-party agreements***

The Shareholders, under the conditions of quorum and majority applicable to ordinary shareholders' meetings, having considered the special report of the statutory auditors on related-party agreements, as defined in articles L. 225-38 *et seq.* of the French Commercial Code, approve said report's conclusions and the related-party agreements previously entered into or approved, which remained in force throughout the fiscal year.

#### ***Fifth resolution – Appointment of a new Board member***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, decide to appoint Bpifrance Investissement, represented by Mr. Thierry Sommelet, as Board member:

- (i) in case of approval of the twenty-seventh resolution, for a term of three (3) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2019;
- (ii) in case of rejection of the twenty-seventh resolution, for a term of four (4) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2020.

***Sixth resolution – Renewal of Mr. Paul Boudre's directorship***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, and after having reviewed the report of the Board of Directors, acknowledge that Mr. Paul Boudre's directorship has reached its term and decide to renew his directorship:

- (i) in case of approval of the twenty-seventh resolution, for a term of three (3) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2019;
- (ii) in case of rejection of the twenty-seventh resolution, for a term of four (4) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2020.

***Seventh resolution – Renewal of CEA Investissement's directorship***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, and after having reviewed the report of the Board of Directors, acknowledge that the directorship of CEA Investissement, appointed temporarily as replacement for a resigning director, has reached its term and decide to renew his directorship:

- (i) in case of approval of the twenty-seventh resolution, for a term of three (3) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2019;
- (ii) in case of rejection of the twenty-seventh resolution, for a term of four (4) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2020.

***Eighth resolution – Renewal of Bpifrance Participations' directorship, under the condition precedent of the approval of the twenty-seventh resolution***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings:

1. **Acknowledge** that should the twenty-seventh resolution be approved, the term of office of Bpifrance Participations shall expire on the date of this Shareholders' meeting, and
2. As a result, **decide**, under the condition precedent of the approval of the twenty-seventh resolution, to renew the directorship of Bpifrance Participations, represented by Ms. Sophie Paquin, for a term of three (3) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2019.

***Ninth resolution – Appointment of Ernst & Young Audit as principal statutory auditor of the Company***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, having acknowledged the expiry, following this meeting, of PricewaterhouseCoopers Audit's term, having reviewed the report of the Board of Directors, decide to appoint Ernst & Young Audit, located 1-2 place des Saisons – 92037 Paris La Défense Cedex, as principal statutory auditor for a term of six (6) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2022.

***Tenth resolution – Appointment of Auditex as deputy statutory auditor of Ernst & Young Audit***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, having acknowledged the expiry, following this meeting, of Mr. Yves Nicolas' term as deputy statutory auditor of PricewaterhouseCoopers Audit, having reviewed the report of the Board of Directors, decide to appoint Auditex, located 1-2 place des Saisons – 92037 Paris La Défense Cedex, as deputy statutory auditor of Ernst & Young Audit for a term of six (6) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2022.

***Eleventh resolution – Appointment of KPMG S.A. as principal statutory auditor of the Company***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, having acknowledged the expiry, following this meeting, of Muraz Pavillet's term, having reviewed the report of the Board of Directors, decide to appoint KPMG S.A., located Tour EQHO, 2, avenue Gambetta – 92066 Paris La Défense Cedex, as principal statutory auditor for a term of six (6) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2022.

***Twelfth resolution – Appointment of Salustro Reydel as deputy statutory auditor of KPMG S.A.***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, having acknowledged the expiry, following this meeting, of Mr. René-Charles Perrot's term as deputy statutory auditor of Muraz Pavillet, having reviewed the report of the Board of Directors, decide to appoint Salustro Reydel, located Tour EQHO, 2, avenue Gambetta – 92066 Paris La Défense Cedex, as deputy statutory auditor of KPMG S.A. for a term of six (6) years, such term to expire after the Shareholders' meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2022.

***Thirteenth resolution – Consultative vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2016***

The Shareholders, consulted in accordance with the AFEP-MEDEF Code of Governance for listed companies (section 24.3), under the conditions of quorum and majority required for ordinary shareholders' meetings, and having reviewed the report of the Board of Directors, issue a favorable vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ended on March 31, 2016, as described and detailed in the Company's 2015-2016 reference document.

***Fourteenth resolution – Authorization for the Board of Directors to carry out transactions on the Company's shares***

The Shareholders, under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the report of the Board of Directors, and in accordance with the conditions provided for under article L. 225-209 *et seq.* of the French Commercial Code and under European regulation no. 2273/2003 of December 22, 2003, and as recognized by the market practices of the *Autorité des Marchés Financiers*, authorize the Board of Directors, with the possibility of sub-delegating,

under the conditions set forth by the law and in the articles of association, to acquire or to have someone acquire the Company's shares with the purpose of:

- ensuring the shares' liquidity and the secondary market's animation through an investment service provider acting independently and in respect to a liquidity agreement complying with the AMAFI's ethical chart, as recognized by the *Autorité des Marchés Financiers*; or
- the allocation or sale of shares to employees or former employees and/or executive officers or former executive officers of the Company and/or companies that are or will be linked to it under the conditions and terms provided by applicable law, notably with respect to the framework of options plans, free allocation of existing shares or company savings plans; or
- holding and granting shares (as exchange or payment or otherwise) in the context of external growth transactions, provided that the maximum number of shares that could be purchased for the purpose of holding them and later offering them as payment or as part of an exchange in the context of a merger, demerger or contribution does 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's shares through redemption, conversion, exchange, presentation of bonds, or any other means; or
- under the condition that the twenty-fourth resolution is adopted, cancelling, in whole or in part, any shares which were bought back, in accordance with article L. 225-209 of the French Commercial Code; or
- implementing any securities practice which would be permitted by the *Autorité des Marchés Financiers*; or
- operating in any other authorized purpose or which may afterwards be authorized by law or regulations in force subject to the shareholders of the Company being informed through a press release.

The share repurchase may involve a number of actions, such as:

- the number of shares acquired during the term of the repurchase program may not exceed, at any time, 5% of the shares making up the share capital of the Company. This percentage is applied to the capital adjusted to take into account the transactions that may impact the share capital after the present meeting, it being specified that in the event the shares are purchased in the frame of a liquidity contract, the number of shares taken into account for calculating the 5% limit is the number of shares purchased reduced by the number of shares sold during the duration of the authorization;
- the number of shares that the Company holds at any time cannot exceed 5% of the shares making up the share capital of the Company; this percentage being applied to the capital adjusted to take into account the transactions that may impact the share capital after the present meeting.

The purchase of the shares may be made in one or several installment, by all means available, on a regulated market, on a multilateral negotiations system, with a systematic internalizer or over the counter, including through a public offer or share blocks transactions (which could cover the entire repurchase program). However, the Company does not intend to use derivatives. These transactions could be performed at any time pursuant to applicable law, except during time periods when there is a public offer for the Company's shares.

The Board of Directors decides that the maximum purchase price is to be set at 1 (one) euro per share. In the event of transactions carried out on the share capital, notably a stock split or a stock consolidation or the free allocation of shares, the above-indicated amount will be adjusted in the same proportions (adjustment factor equal to the ratio between the number of shares comprising the capital before the operation and the number of shares after the operation).

As a result, in accordance with Article R. 225-151 of the French Commercial Code, the Shareholders set the maximum amount allocated to the shares repurchase program authorized above at 3,030,203 Euros, as calculated on the basis of the share capital as at 8 June 2016, consisting of 606,040,745 shares.

The Shareholders grant all powers to the Board of Directors, with possibility to sub-delegate, for the purpose of implementing this authorization, entering into any agreement, carrying out any formality and filing any declaration with any agency, and more generally, doing all that is necessary.

This authorization takes effect as from the date of this Shareholders' meeting and will expire on the date of the Shareholders' meeting convened to approve the financial statements for the fiscal year which will end on March 31, 2017.

### **Resolutions of the competence of the extraordinary shareholders' meeting**

#### ***Fifteenth resolution – Delegation of authority to be given to the Board of Directors in order to proceed with the share capital increase of the Company by issuance, with the preferential subscription right, of shares and/or any other securities giving access, immediately or in the future, to the Company's capital***

The Shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, and in accordance with provisions of articles L. 225-129 *et seq.*, L. 228-91 *et seq.* and specifically articles L. 225-129-2 and L. 228-92 of the French Commercial Code, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings:

1. **delegate** to the Board of Directors with the possibility to sub-delegate, within the limits provided by law, its authority and the powers necessary for the purpose of deciding to issue, in one or more installments, in France as well as abroad, in such amount and at such time as it deems appropriate, in Euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, with preferential subscription rights, ordinary shares and/or any securities (including warrants and debt securities) issued for consideration or for free, giving access by any means, immediately or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other way, to Company shares, provided that the subscription of shares and/or other securities may be made either in cash or by setting off against due and payable receivables;
2. The delegation granted to the Board of Directors shall be valid for twenty-six (26) months as of the date of this Shareholders' meeting, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete;
3. **decide** to set up the following limits on the issuance amounts permitted 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 long term, based on this delegation of authority may not go above the ceiling of 40 million Euros for the nominal value, or the counter-value of this amount, being specified that:
    - (i) the aggregate nominal amount of the capital increase in respect of shares issued directly or indirectly, on the basis of this resolution and the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first, twenty-second and twenty-third resolutions, subject to their adoption by the present Shareholders' meeting, and on the basis of the issuance authorized by resolutions of the same nature that could succeed these resolutions during the validity period of this delegation, shall not go above the global ceiling of 40 million Euros for the nominal value, and
    - (ii) 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 applicable, 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 debt securities or related securities, giving access to the Company's capital, which may be issued under the present delegation of authority, may not exceed the ceiling of 150 million Euros or the counter-value of this amount, provided that this amount will be deducted from the nominal amount of debt securities or equivalent, giving access to the Company's capital, to be issued under this resolution and the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, twenty-first, twenty-second and twenty-third resolutions, subject to their approval by the present Shareholders' meeting, and on the basis of issuance authorized by resolutions of the same nature that may succeed these resolutions during the validity of the present delegation.
4. In the event that the present delegation of authority is used by the Board of Directors:
- **decide** that the issuance will be reserved in favor of Company shareholders who have the right to subscribe in direct proportion to the number of shares they hold,
  - nevertheless, **decide** that the Board of Directors will have 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 due to their preferential subscription rights, proportionally to their subscription rights, and in any event, within the limit of their request,
  - **decide** that 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 use, 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, to the French market and/or internationally.
5. **decide** that the issuance of the warrants giving access to Company shares may be made through a subscription offer, but also through free allocation of shares to Company shareholders, it being understood that the Board of Directors may decide that, in the event of an allocation of bonus warrants, resulting fractional shares shall not be negotiable and that the corresponding shares will be sold;
6. **decide** that the Board of Directors will have 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, including:
- 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, specifically the issuance thereof, if applicable the issuance premium, the terms of their release and their maturity date (if applicable, retroactively) and, if necessary, repurchase conditions,
  - suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months under the conditions and limits provided by laws and regulations,
  - 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 the tenth of the capital as set after each increase,

- 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 articles of association, requesting the listing of any shares and/or securities issued as a result of this present delegation.

The Board of Directors cannot, without the prior authorization from the Shareholders' meeting, use this delegation once a third party files a public offer for the shares of the Company, and this until the end of the offer period.

***Sixteenth resolution – Delegation of authority to be given to the Board of Directors in order to proceed with the share capital increase of the Company by issuance, without the preferential subscription right, of shares and/or any other securities giving access, immediately or in the future, to the Company's capital***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of articles L. 225-129-2, L. 225-135, L. 225-136, L. 225-148 and L. 228-92 of the French Commercial Code, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings:

1. **delegate** to the Board of Directors with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary for the purpose of deciding to issue, on one or several occasions, in France as well as abroad, in such amount and at such times as it deems appropriate, in Euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, without preferential subscription rights, within the framework of a public offering, ordinary shares as well as any securities issued for consideration or for free, giving access by any means, immediately or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other way, to Company shares, provided that the subscription of shares and/or securities may be made either in cash or by setting off against due and payable receivables;
2. the delegation so granted to the Board of Directors is valid for twenty-six (26) months as of the date of this Shareholders' meeting;
3. **set** the following limits on the issuance amounts in the event the Board of Directors decides to use its delegation of authority:
  - a. the maximum nominal amount of capital increases that may be carried out, immediately or in the long term, under this delegation of authority, may not go above the ceiling of 15 million Euros for the nominal value, or counter value of this amount, being specified that:
    - (i) this ceiling applies to the present resolution and the seventeenth, eighteenth, nineteenth, twentieth and twenty-second resolutions, and
    - (ii) this amount will be deducted from the global nominal ceiling amount of 40 million Euros referred to in paragraph "3a(i)" of the fifteenth resolution of the present Shareholders' meeting or, when appropriate, from the global ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation,
  - b. the maximum nominal amount of debt securities or related securities, giving access to the Company's capital, likely to be issued on the basis of the present resolution, may not exceed the ceiling of 150 million Euros or the counter-value of this amount, provided that this amount shall be deducted from the global ceiling amount of 150 million Euros pursuant to "3b" of the fourteenth resolution of the present meeting or, as the case may be, from the ceiling amount

potentially set by a resolution of the same nature that may succeed this resolution during the validity of the present delegation;

4. **decide** that any issuance performed pursuant thereto shall be performed through public offers, it being specified that such may be performed in conjunction with an offer or offers covered by article L. 411-2 (II) of the French Monetary and Financial Code, which may be completed under the seventeenth resolution hereunder;
5. **decide** to remove the shareholders' preferential subscription rights to the shares and/or securities that are likely to be issued based on the present delegation;
6. **decide** that the Board of Directors may bestow a preferential right to shareholders in direct and exact proportion to the number of shares they hold (*à titre irréductible*) and potentially grant excess subscription rights (*à titre réductible*), over an amount of time that shall be set in accordance with applicable laws and regulations, for all or part of an issuance performed based on to this resolution and which shall be exercised in proportion to the number of shares held by each shareholder pursuant to applicable laws and regulations;
7. **decide** that 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 use, 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, to the French market and/or internationally.
8. **acknowledge and decide**, as relevant, that this delegation shall, to the benefit of holders of any securities giving access to Company shares that may be issued pursuant to this delegation, automatically result in the waiver of shareholder preferential subscription rights to the new shares to which these securities would give rise;
9. **decide** that (i) the share 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 laws and regulations applicable on the date of issue (to date, the weighted average of the last three trading days preceding the fixation of the subscription price minus 5%), after, if necessary, adjusting this average to take into account any difference between the maturity dates, and (ii) the issuance price for the securities giving access to capital 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 price defined in part (i) of this paragraph;
10. **decide** that the Board of Directors will have all powers with the possibility to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issuance in compliance with applicable law, including:
  - 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, specifically the issuance thereof, if applicable the issuance premium, the terms of their release and their maturity date (if applicable, retroactively) and, if necessary, repurchase conditions,

- suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months under the conditions and limits provided by laws and regulations,
- 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 the tenth of the capital as set after each increase,
- 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 articles of association, requesting the listing of any shares and/or securities issued as a result of this present delegation.

The Board of Directors cannot, without the prior authorization from the Shareholders' meeting, use this delegation once a third party files a public offer for the shares of the Company, and this until the end of the offer period.

***Seventeenth resolution – Delegation of authority to be given 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 (Code monétaire et financier), shares and/or securities giving access, immediately or in the future, to the Company's capital, without the shareholders' preferential subscription right***

The Shareholders, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to 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:

1. **delegate** to the Board of Directors with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary to decide the issuance, on one or several occasions, in the proportions and at such times as it deems appropriate, in France or abroad, pursuant to the provisions relating to offers set forth in II of article L. 411-2 of the French Financial and Monetary Code, in Euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, of ordinary shares as well as any securities issued for consideration or for free, giving access to ordinary Company shares, by any means, immediately and/or in the future, at any time or upon a certain date, by way of subscription, conversion, exchange, reimbursement, presentation of warrants or any other manner. The subscription of these shares or securities may be made either in cash or by setting off with liquid and due receivables;
2. **decide** to remove the Shareholders' preferential subscription rights to the securities that can be issued on the grounds of this resolution;
3. **decide** that the maximum amount of capital increases that may be performed under this resolution may not, within the limits set forth by law applicable on the day of the issuance (as an indication, on the day of the present Shareholders' meeting, the issuance of share capital carried out by an offer pursuant to Article L. 411-2 (II) of the French Financial and Monetary Code is limited to 20% of the Company's capital per year), exceed the nominal 15 million Euros ceiling, or the counter-value of this amount, it being understood that such amount shall be deducted from:
  - (i) the shared global nominal ceiling amount of 15 million Euros referred to in paragraph "3a(i)" of the sixteenth resolution of the present Shareholders' meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation, being specified in any event that issuances of securities made in this framework are limited according to the legal provisions in force on the day of the issuance,

- (ii) the global nominal ceiling amount of 40 million Euros referred to in paragraph “3a(i)” of the fifteenth resolution, or if need be, to the possible amount, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation;
4. **decide** that the maximum nominal amount of debt securities or related securities, giving access to the Company’s capital, likely to be issued on the basis of the present resolution, may not exceed the ceiling of 150 million Euros or the counter value of this amount, in case of an issuance in a foreign currency or another accounting unit established by reference to a basket of currencies, it being understood that this amount shall be deducted from the global ceiling amount of 150 million Euros pursuant to “3b” of the fifteenth resolution of the present meeting or, as the case may be, to the possible ceiling amount pursuant to a resolution of the same nature that may succeed this resolution during the validity of the present delegation;
  5. **acknowledge** 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 they reach at least three-fourths of the subscriptions issued;
  6. **decide** that (i) the shares' issuance price for ordinary shares 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 laws and regulations applicable on the date of issue (to date, the weighted average of the last three trading days preceding the fixation of the subscription price minus 5%), after, if necessary, adjusting this average in the event of a difference between the maturity dates; and (ii) the issuance of price for the securities giving access to capital shall be that of the sums received immediately by the Company increased, where appropriate, by that likely to be collected subsequently by the Company, or for each share issued as a consequence of the issuance of the securities, at least equal to the minimum price defined in part (i) of this paragraph;
  7. **grant** the Board of Directors all powers with the possibility to sub-delegate, in accordance with applicable law, necessary to proceed with the aforementioned issuance in compliance with applicable law, including:
    - 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, specifically the issuance thereof, if applicable the issuance premium, the terms of their release and their maturity date (if applicable, retroactively) and, if necessary, repurchase conditions,
    - suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months under the conditions and limits provided by laws and regulations,
    - 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 the tenth of the capital as set after each increase,
    - 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 articles of association, requesting the listing of any shares and/or securities issued as a result of this present delegation.
  8. The present delegation is granted for a period of twenty-six (26) months as from the date of this Shareholders’ meeting, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete.

The Board of Directors cannot, without the prior authorization from the Shareholders’ meeting, use this delegation once a third party files a public offer for the shares of the Company, until the end of the offer period.

***Eighteenth resolution – Delegation of authority given to the Board of Directors in order to increase the issuance amount with or without the preferential subscription right within the limit of 15% of the initial issuance***

The Shareholders, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of article L. 225-135-1 of the French Commercial Code:

1. **grant** the Board of Directors, with faculty of sub-delegation under the conditions set forth by law, the power to decide to increase the number of shares issued, in the event of issuance of shares or securities giving access to Company's capital, with or without preferential subscription rights decided on the basis of the fifteenth, sixteenth, or seventeenth resolutions of the present Shareholders' meeting, at the same price as the initial issuance and in the same time limits provided by the applicable legal and regulatory provisions on the day of the issuance (to date, within thirty (30) days of the subscription and limited by 15% of the initial issuance), subject to the ceiling under which the issuance is decided;
2. the present delegation is granted for a period of twenty-six (26) months as from the date of this Shareholders' meeting, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete.
3. **delegate** to the Board of Directors, with the possibility to sub-delegate, in accordance with applicable law and the articles of association, all the powers required to implement the present delegation of authority.

***Nineteenth resolution – Delegation of authority to be given to the Board of Directors in case of issuance without the preferential subscription right for shares and/or any securities giving access, immediately or in the future, to the Company's capital, in order to establish the issuance price within the limit of the 10% of the Company's share capital in accordance with the terms and conditions set out by the shareholders' meeting***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of article L. 225-136-1 of the French Commercial Code, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings:

1. **authorize** the Board of Directors, with possibility of sub-delegation in the conditions set forth by law, subject to the adoption of the fifteenth, sixteenth and seventeenth resolutions voted on by the present meeting, for each of the issuances decided on the basis of these resolutions, to waive the price conditions set forth in these resolutions and to set the issuance price as indicated hereafter, within the limit of 10% of the Company's share capital per year (this percentage applies to capital adjusted to take into account transactions occurring after the present meeting):
  - a. the issuance price for ordinary shares to be issued pursuant to this issuance or those which may give rights to securities to be issued hereunder, shall be, at the discretion of the Board of Directors, equal to (i) the average listed price over a maximum period of six (6) months preceding the issuance or (ii) the average weighted market price on the day preceding the issuance (WVAP 1 day) with a maximum discount of 15%;
  - b. the issuance 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 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 paragraph "1.a" above.

2. **decide** that the maximum nominal amount for the Company's capital increases carried out based on this present resolution, either directly or upon presentation of securities, shall not exceed 10% of the Company's share capital for each 12-month period, or the counter-value of this amount, it being specified that this amount shall be deducted from:
  - (i) the shared global ceiling amount of 15 million Euros referred to in paragraph "3a(i)" of the sixteenth resolution of this Shareholders' meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation, it being specified in any event that issuances of securities made in this framework are limited according to the legal provisions in force on the day of the issuance,
  - (ii) the global nominal ceiling amount of 40 million Euros referred to in paragraph "3a(i)" of the fifteenth resolution, or if need be, to the possible amount, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation;
3. **decide** that the maximum nominal amount of debt securities or related securities giving access to the Company's capital, likely to be issued pursuant to this delegation, shall be deducted from the global ceiling of 150 million Euros referred to in "3.b" of the fifteenth resolution of this Shareholders' meeting, or as the case may be, from the ceiling amount potentially set by a resolution of the same nature that may subsequently be adopted during the validity of this delegation; it being specified that from this amount shall be deducted the nominal amount of debt securities;
4. **acknowledge** that the Board of Directors shall establish 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 Shareholders' situation;
5. **set** to twenty-six (26) months as from the day of this Shareholders' meeting the validity of this delegation, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete;
6. **delegate** to the Board of Directors, with the possibility to sub-delegate, in accordance with applicable law and the articles of association, all the powers required to implement the present delegation of authority.

The Board of Directors cannot, without the prior authorization from the Shareholders' meeting, use this delegation once a third party files a public offer for the shares of the Company, until the end of the offer period.

***Twentieth resolution – Delegation of power to be given by the Board of Directors in order to increase the share capital of the Company in return for the contributions in kind of shares or securities giving access to the Company's capital***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of article L. 225-147 of the French Commercial Code, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings:

1. **authorize** the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, the powers necessary for the purposes of carrying out, based on a report of the statutory auditors, a capital increase, within the limit of 10% of the share capital (this percentage being applied to capital as adjusted to take into account transactions occurring after the Shareholders' meeting), by issuing ordinary shares and/or other securities giving access, immediately or in the future, at any time or on a determined date, to shares of the Company, as consideration for contributions in kind made to the Company in the form of shares or securities giving access to capital, when provisions of article L. 225-148 of the French Commercial Code do not apply, and decide, where necessary, to remove, in favor of the holders of shares or securities which are contributed, the preferential subscription rights of the Shareholders for shares and securities to be issued;

2. **decide** that the maximum nominal amount of the capital increase resulting from the issuance of new shares, either directly or by the presentation of securities, shall not exceed the 15 million Euros ceiling, or the counter-value of this amount, it being specified that such amount shall be deducted from:
  - (i) the shared global ceiling amount of 15 million Euros referred to in paragraph “3a” of the sixteenth resolution of the present Shareholders’ Meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation, it being specified in any event that issuances of securities made in this framework are limited according to the legal provisions in force on the day of the issuance,
  - (ii) the global nominal ceiling amount of 40 million Euros referred to in paragraph “3a(i)” of the fifteenth resolution, or if need be, to the possible amount, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation;
3. **decide** that the maximum nominal amount of debt securities or related securities giving access to the Company’s capital, likely to be issued on the basis of this resolution, shall be deducted from the global ceiling of 150 million Euros referred to in “3.b” of the fifteenth resolution of this Shareholders’ meeting, or as the case may be, from the ceiling amount potentially set by a resolution of the same nature that may subsequently be made during the validity of this delegation; it being specified that from this amount shall be deducted the nominal amount of debt securities;
4. **set** to twenty-six (26) months as from the day of this Shareholders’ meeting the validity of this authorization, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete.
5. **grant** all powers to the Board of Directors with the possibility to sub-delegate, necessary to proceed with the aforementioned issuance in accordance with applicable law and notably:
  - to determine the form and the characteristics of the securities to be issued,
  - to make a decision on the valuation of contributions and special benefit grants, to determine the number of shares and/or other securities to be issued, the terms and conditions and, if applicable, the premium amount,
  - to suspend if need be the exercise of rights attached to these securities for a maximum time period of three (3) months under the conditions and the limits provided by laws and regulations,
  - at its sole discretion, to charge issuance fees on the premium amounts associated therewith and deduct there from the sums necessary to bring the legal reserve to the tenth of the legal capital after each increase,
  - to take all appropriate measures, execute all agreements, obtain all authorizations, and carry out all formalities necessary to ensure successful completion of issuance or to postpone such, including any capital increases resulting from any issuance performed pursuant to this present delegation, amend the articles of association, and request the listing of any securities issued as a result of the present delegation.

The Board of Directors cannot, without the prior authorization from the Shareholders’ meeting, use this delegation once a third party files a public offer for the shares of the Company, until the end of the offer period.

***Twenty-first resolution – Delegation of authority to be given to the Board of Directors in order to increase the share capital by capitalization of premiums, reserves, profits or any other sum that may be capitalized***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of articles L. 225-129, L. 225-129-2, and L. 225-130 of the French Commercial Code, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings:

1. **authorize** the Board of Directors, with faculty of sub-delegation in the conditions set forth by law and the Company's articles of association, the powers necessary for the purposes of carrying out a capital increase, in one or several installments, in proportions and at times it deems appropriate through successive or simultaneous incorporation of premiums, reserves, profits, or other amounts which may be capitalized, in the form of distribution of free shares or the increase of the nominal value of the existing shares or the combination of these two methods;
2. **set** to twenty-six (26) months as from the day of this Shareholders' meeting the validity of this delegation, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete;
3. **decide** that the maximum amount of capital increase that may potentially be performed shall not exceed the total amount of funds that may be incorporated nor the 40 million Euros ceiling or the counter-value of this amount, it being specified that this amount shall be deducted from the 40 million euro ceiling mentioned in paragraph "3.a(i)" of the fifteenth resolution of this Shareholders' Meeting or, as the case may be, from the ceiling that may be established by a resolution of the same nature that may be voted during the validity of this authorization;
4. **decide** 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. **grant** all powers to the Board of Directors, with the possibility to sub-delegate, necessary to proceed with the aforementioned issuance in accordance with applicable law and notably:
  - to determine the dates, methods, and other characteristics of the issuance,
  - to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities necessary to ensure successful completion of issuance or stay, including any capital increases resulting from any issuance performed pursuant to this present delegation, amend the articles of association, and request the listing of any securities issued as a result of the present delegation.

***Twenty-second resolution – Delegation of authority to be given to the Board of Directors in order to increase the share capital by issuance of shares or securities giving access, immediately or in the future, to the Company's share capital in return of share contributions done within the framework of a public exchange offer initiated by the Company***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings, in accordance with articles L. 225-129, L. 225-148, and L. 228-91 of the French Commercial Code:

1. **authorize** the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, to decide, in one or several installments, the issuance of ordinary shares and/or other securities giving access, immediately or in the future, at any time or at a given time, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner, to ordinary shares in the Company, as consideration for shares that would be contributed within the framework of a public exchange offer initiated in France or abroad, in compliance with local rules, by the Company on its

shares or the shares of another entity listed on a regulated market pursuant to article L. 225-148 of the French Commercial Code (including of any other transactions with the same effect as a public exchange offer, initiated by the Company on its own shares or the shares of another entity whose shares are listed on a regulated market governed by foreign law, or deemed equivalent).

2. **set** to twenty-six (26) months as from the day of this Shareholders' Meeting the validity of this delegation, it being specified as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete;
3. **decide** that the maximum amount of capital increase that may potentially be performed shall not exceed the 15 million Euros ceiling, or the counter-value of this amount, it being specified that such amount shall be deducted from:
  - (i) the shared global ceiling amount of 15 million Euros referred to in paragraph "3a" of the sixteenth resolution of the present Shareholders' meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation, it being specified that these capital increases shall not be subject to issuance price rules set forth in the sixteenth resolution, as well as
  - (ii) the global ceiling amount of 40 million Euros referred to in paragraph "3a(i)" of the fifteenth resolution or, if need be, to the ceiling, if any, provided by a resolution of the same nature succeeding this resolution during the validity of this delegation;
4. **decide** that the maximum nominal amount of debt securities giving right to receive shares of the Company or deemed equivalent financial instruments, likely to be issued on the basis of this resolution, shall be deducted from the global ceiling of 150 million Euros set forth in "3.b" of the fifteenth resolution of this Shareholders' meeting, or as the case may be, from the ceiling amount potentially set by a resolution of the same nature that may subsequently be made during the validity of this delegation, it being specified that this amount shall be deducted from the nominal amount of debt securities;
5. **acknowledge** that the Shareholders of the Company will not be entitled to a preferential subscription right to subscribe to 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. **acknowledge** that 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 public exchange offers;
7. **grant** to the Board of Directors, with faculty to sub-delegate, all powers necessary to carry out the above-mentioned issuance in accordance with the terms it will determine in compliance with the law, and notably:
  - to determine the dates, methods, and characteristics of the issuance;
  - at its own initiative, to offset the transaction costs related to any issuance with the related issuance premium, and withhold from this amount what is necessary to bring the legal reserve to one-tenth of the new capital after the capital increase;
  - to take any useful action, sign all agreements, request all authorizations, carry out all formalities, and do what is appropriate to ensure the completion of the forecasted issuances, and notably acknowledge capital increases resulting from any issuance carried out in line with this authorization, make consequential amendments to the articles of incorporation, and request the listing of all securities issued following this authorization.

***Twenty-third resolution – Delegation of authority granted to the Board of Directors in order to increase the share capital by issuance of shares or securities giving access to the capital restricted to subscribers of saving plans without the preferential subscription right to the benefit of said subscribers***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, under the conditions of quorum and majority applicable to extraordinary shareholders' meetings, in accordance with 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. delegate** to the Board of Directors, with powers to sub delegate under the terms and conditions set by law, the power to carry out a capital increase, in one or several installments, of a maximum nominal amount of 500,000 Euros, through the issue of ordinary shares or securities giving right to shares reserved to members of one or more company savings plans (or other types of plan open to members who could, pursuant to articles L. 3332-18 *et seq.* of the French Labor Code, benefit from the reserved capital increase under equivalent conditions) which will be put into place in the group constituted by the Company and the companies, French or otherwise, falling within the scope of the Company's consolidated accounts in application of article L. 3344-1 of the French Labor Code, it being stated that (i) the maximum nominal amount of the capital increases to be potentially completed, immediately or in the longer term, through the issue of new shares pursuant to the present delegation will be deducted from the global cap of 40 million Euros nominal value provided for at paragraph "3a(i)" of the fifteenth resolution of the present shareholders meeting, and (ii) from the maximum nominal amount of debt securities or assimilated securities conferring entitlement to shares in the Company that could be issued by virtue of the present delegation shall be deducted from the cap of 150 million Euros nominal value provided for at paragraph "3b" of the fifteenth resolution of the present shareholders meeting, or, as relevant, from the amount of the cap potentially provided by a resolution of the same kind that may succeed said resolution during the period of validity of the present delegation;
- 2. set** to twenty-six (26) months as from the day of this Shareholders' meeting the validity of this authorization, it being specified that, as a result of this delegation, all other authority delegation previously granted by a resolution of the same nature is obsolete;
- 3. decide** that the issue price of new shares or securities conferring entitlement to shares will be determined under the terms and conditions provided by articles L. 3332-18 *et seq.* of the French Labor Code and will at least be equal to 80% of the average listed price of the shares on the Paris Euronext market over the previous 20 trading sessions leading up to the date on which the decision was made to set the date for the opening of the subscription period for the capital increase reserved for members of a company savings plan (the "Reference Price"); however, the Shareholders expressly authorize the Board of Directors, if it should deem it to be appropriate, to reduce or withdraw the aforementioned discount, within the legal and regulatory limits, in order to take into account, in particular, the legal, accounting, tax and social regimes that apply on a local level;
- 4. authorize** the Board of Directors to allocate, free of charge, to the beneficiaries listed hereinabove, in addition to the cash subscription for shares or securities conferring entitlement to shares, shares or securities conferring entitlement to shares 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. decide** to remove, for the benefit of the aforementioned beneficiaries, the preferential subscription rights of shareholders to shares and securities conferring entitlement to shares, 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 conferring entitlement to shares, all rights to said shares and securities conferring entitlement to shares, including to 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. **authorize** the Board of Directors, according to the terms and conditions of this delegation, to sell shares to members of a company savings plan as provided for in article L. 3332-24 of the French Labor Code, it being stated that the sale of shares at a discount to members of one or more company savings plans provided for in the present resolution will be offset against the amount of the caps mentioned at paragraph 1 above, up to the nominal value of the shares thereby sold.
7. **decide** that the Board of Directors will be granted all powers in order to implement this delegation, with the power to sub delegate, within the limits of and under the conditions set out herein, and in particular but not limited to:
  - 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 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 (*fonds commun de placement d'entreprise*) 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 oversubscription, and all other terms and conditions for the issue, within the applicable legal and regulatory limits;
  - 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 oversubscription) ;
  - 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 articles of association, 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.

***Twenty-fourth resolution – Authorization given to the Board of Directors to cancel, if necessary, the Company’s own treasury shares up to a maximum of 10%***

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, under the conditions of quorum and majority required for extraordinary shareholders' meetings, authorize the Board of Directors, in accordance with the provisions of article L. 225-209 of the French Commercial Code, to cancel the Company's treasury shares acquired by it within the framework of the authorization granted by the Shareholders and in accordance with article L. 225-209 of the French Commercial Code as follows:

- the Board of Directors is authorized to cancel, upon its sole decision, in one or several occasions, all or part of the Company's treasury shares acquired by it by virtue of share buy-back plans within the limit of 10% of the Company's capital over a period of twenty-four (24) months as of this date, and to decrease the Company's capital accordingly;
- the difference between the purchase price of the shares and their nominal value shall be offset against issuance premiums and, if need be, the legal reserve up to 10% of the canceled capital.

This authorization is valid from the date of this meeting and shall expire on the date on which the shareholders shall be convened to approve the accounts for the fiscal year ending March 31, 2017. 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 articles of association as necessary.

***Twenty-fifth resolution – Authorization for the Board of Directors to proceed with the attribution of free performance shares***

The Shareholders, under the conditions of quorum and majority required for extraordinary shareholders' meetings, having considered the Board of Directors' report and the statutory auditors' special report:

1. **authorize** the Board of Directors, pursuant to articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to proceed, once or on several occasions, with the allocation of new or existing free performance shares of the Company, in favor of the beneficiaries or categories of beneficiaries it shall designate among the Company's employees, as well as among the employees of associated companies within the meaning of article L. 225-197-2 of the French Commercial Code, and executive officers of the Company or associated companies meeting the conditions of article L. 225-197-1, II of the French Commercial Code, in the conditions set forth below;
2. **decide** that the total number of free shares granted pursuant to this resolution shall not represent more than 5% of the number of shares composing the share capital of the Company on the date of this meeting, it being specified that the free shares granted to executive officers shall not exceed 20% of the total amount granted;

3. **decide** that the Company's free shares will be definitely awarded to their beneficiaries after a vesting period that the Board of Directors shall determine, and those free shares granted to executive officers shall be subject to Group performance criteria assessed over the entire vesting period, and to a condition of continuing involvement within the Group according to modalities determined by the Board of Directors. The Board of Directors may also impose an obligation for the beneficiaries to hold the shares for a certain period of time;
4. **decide** that the definite allocation of the shares granted to executive officers will be subject to the achievement by the Group of conditions determined by the Board of Directors;
5. **decide** 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 shares shall vest immediately, and that in the event the beneficiary dies, his/her heirs will be allowed to require immediate vesting within six (6) months following the death;
6. **decide** that existing 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 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;
7. **acknowledge** that the present authorization entails the revocation by the Shareholders of their preferential right to subscribe to shares of the Company issued pursuant to a free share scheme implemented as a result of this resolution in favor of the beneficiaries of such free shares. The corresponding share capital increase may be carried out by the allotment of the shares, by incorporation of reserves, profits or share premiums to the benefit of the beneficiaries;
8. **grant**, within the limits set forth below, to the Board of Directors, with faculty to sub-delegate in the conditions of the law, all powers necessary to implement this authorization and notably in order to:
  - determine whether the free shares to be issued are existing or are to be issued;
  - determine the number of actions granted to each beneficiary that is chosen;
  - set the conditions and, as the case may be, the criteria to grant the shares, notably the minimum vesting and holding periods;
  - increase, as the case may be, capital through incorporation of reserves, profit, or issuance premium to proceed with the issuance of freely-granted shares;
  - grant shares to people referred to in the fourth paragraph of article L.225-185 of the French Commercial Code subject to respect of conditions set forth in article L. 225-186-1 of the French Commercial Code. For such shares, the Board of Directors (i) decides that the free shares granted cannot be sold by the beneficiaries before the end of their involvement with the Company, or (ii) determines the minimum number of free shares that the beneficiaries must hold until the end of their involvement with the Company;
  - plan, as the case may be, the possibility to delay the definitive granting dates of shares and, for the same period, the end of the holding period of such shares (so that the minimum holding period remains unchanged);
  - adjust, as the case may be, the number of free shares that shall be granted in order to maintain the beneficiaries' rights, depending on potential transactions involving the capital of the Company in the conditions set forth in article L. 225-181 of the French Commercial Code. Shares granted within the framework of these adjustments are considered as having been granted on the same day as those initially granted;
  - determine dates and modalities to grant the free shares, and generally do what is appropriate and execute all agreements to 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 an express vote from the Shareholders; and

9. **set** to twenty-four (24) months as from the day of the Shareholders' meeting the validity of this authorization.

***Twenty-sixth resolution – Reverse stock split of the Company's shares by attribution of 1 new ordinary share of 2 Euros against 20 existing ordinary shares of 0.10 Euro each – Delegation of power to the Board with possibility to sub-delegate***

The Shareholders, having considered the Board of Directors' report and restating that, as of June 8, 2016, the Company has a share capital of 60 604 074.50 Euros, divided into 606 040 745 shares with a nominal value of 0.10 Euro each, at the conditions of quorum and majority applicable to extraordinary shareholders' meetings:

- **decide** to proceed with a reverse stock split of the Company's shares so that 20 ordinary shares with a nominal value of 0.10 Euro each will be exchanged against 1 new share with a nominal value of 2 Euros;
- **grant** all powers to the Board of Directors, with faculty to sub-delegate, in order to:
  - o set the date for the beginning of the reverse stock split operations;
  - o publish all notices and proceed with the formalities required by law;
  - o acknowledge and determine the exact number of shares to be reversed and the exact number of shares resulting from the reverse stock split before the beginning of the reverse stock split operations;

as a result, decide that the Board of Directors will have all powers, with possibility to sub-delegate, to modify the by-laws accordingly, determine and proceed, if necessary, with the adjustment (including by way of cash adjustment) of the rights of the beneficiaries of share subscription or purchase option, of attribution of free shares and holders of any securities giving access to the Company's capital, proceed with all publicity formalities required and, more generally, do everything which will be useful and necessary in order to implement the Company's reverse stock split in accordance with the above mentioned terms and the applicable regulations.

The new shares will immediately benefit from the double voting right, provided they are registered, if at the date of the reverse stock split, each of the old shares from which they are derived from benefited from the double voting right.

In case of a reverse stock split of old shares which were registered on different dates, the period to determine the double voting right of the new shares shall begin on the most recent registration date of the old shares.

The present delegation will expire on the date of the Shareholders' Meeting convened to approve the financial statements for the fiscal year which will end on March 31, 2017.

***Twenty-seventh resolution – Modification of the duration of the term of office of the directors***

The Shareholders, at the conditions of quorum and majority applicable to extraordinary shareholders' meetings, and after having acknowledged the report of the Board of Directors:

1. **decide** to reduce the duration of the term of office of the members of the Board of Directors from four (4) to three (3) years, with immediate effect;
2. **decide** that the duration of the terms of office of the current Board members on the date hereof shall therefore be reduced to three (3) years, so that:
  - (i) the term of office of Mr. Christophe Gégout, appointed by virtue of the 1<sup>st</sup> resolution of the ordinary and extraordinary Shareholders' meeting of April 11, 2016 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2020 to decide on

- the financial statements for the fiscal year to end on March 31, 2020, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2019;
- (ii) the term of office of Mr. Xi Wang, appointed by virtue of the 2<sup>nd</sup> resolution of the ordinary and extraordinary Shareholders' meeting of April 11, 2016 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2020 to decide on the financial statements for the fiscal year to end on March 31, 2020, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2019;
  - (iii) the term of office of Mr. Weidong Ren, appointed by virtue of the 3<sup>rd</sup> resolution of the ordinary and extraordinary Shareholders' meeting of April 11, 2016 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2020 to decide on the financial statements for the fiscal year to end on March 31, 2020, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2019;
  - (iv) the term of office of Ms. Monica Beltrametti, appointed by virtue of the 4<sup>th</sup> resolution of the ordinary and extraordinary Shareholders' meeting of April 11, 2016 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2020 to decide on the financial statements for the fiscal year to end on March 31, 2020, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2019;
  - (v) the term of office of Ms. Nadine Foulon-Belkacemi, appointed by virtue of the 5<sup>th</sup> resolution of the ordinary and extraordinary Shareholders' meeting of April 11, 2016 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2020 to decide on the financial statements for the fiscal year to end on March 31, 2020, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2019;
  - (vi) the term of office of Ms. Laurence Delpy, appointed by virtue of the 6<sup>th</sup> resolution of the ordinary and extraordinary Shareholders' meeting of April 11, 2016 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2020 to decide on the financial statements for the fiscal year to end on March 31, 2020, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2019;
  - (vii) the term of office of Mr. Joseph Martin, renewed as a Board member by virtue of the 5<sup>th</sup> resolution of the ordinary and extraordinary Shareholders' meeting of May 28, 2014 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2018 to decide on the financial statements for the fiscal year to end on March 31, 2018, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2017;
  - (viii) the term of office of Mr. Douglas Dunn, renewed as a Board member by virtue of the 6<sup>th</sup> resolution of the ordinary and extraordinary Shareholders' meeting of May 28, 2014 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2018 to decide on the financial statements for the fiscal year to end on March 31, 2018, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2017;
  - (ix) the term of office of Mr. Satoshi Onishi, appointed by virtue of the 5<sup>th</sup> resolution of the ordinary and extraordinary Shareholders' meeting of July 10, 2015 for an initial duration of four (4) years to expire on the date of the Shareholders' meeting called in 2019 to decide on

the financial statements for the fiscal year to end on March 31, 2019, shall expire on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2018;

3. As a result, **acknowledge** that the term of office of Bpifrance Participations (appointed initially for a term of four (4) years, which should have expired on the date of the Shareholders' meeting called to decide on the financial statements for the fiscal year to end on March 31, 2017), expires on the date hereof and that Bpifrance Participations shall be deemed to be resigning on the date hereof;
4. As a result, **decide** to modify article 12 "BOARD OF DIRECTORS" of the Company's by-laws as follows:
  - the second paragraph of section 2 "Age Limit – Term of office" of article 12 of the Company's by-laws is replaced by the following paragraphs:

*"The term of office of directors shall be three (3) years. The terms of office of the directors sitting on the Board on the date of the Shareholders' meeting of July 25, 2016 are reduced to three years.*

*The term of office of directors shall expire at the conclusion of the meeting of Shareholders that rules on the financial statements of the past financial year and held in the year during which their term of office expires. The Directors may always be re-elected."*

***Twenty-eighth resolution – Acknowledgment of the decrease of the net equity below half of the share capital and decision on whether to keep carrying out the activity in accordance with article L. 225-248 of the French Commercial Code***

The Shareholders, at the conditions of quorum and majority applicable to extraordinary shareholders' meetings, pursuant to the 1<sup>st</sup> paragraph of article L. 225-248 of the French Commercial Code, acknowledge that following the allocation of the Company's result for the fiscal year ended March 31, 2016, decided by virtue of the third resolution of this Shareholders' meeting, the Company's net equity has, as at March 31, 2016, fallen below half of its share capital and decide, in accordance with the provisions of article L. 225-248 of the French Commercial Code, not to dissolve the Company and to keep carrying out its activity.

***Twenty-ninth resolution – Power for formalities***

The Shareholders decide, at the conditions of quorum and majority applicable to extraordinary shareholders' meetings, to grant all powers to the bearer of an original, copy, or excerpt of these minutes for the purpose of carrying out all formalities required by law.

## How to attend the General Meeting

The shareholders who wish to physically attend the General Meeting will have to request an admission card pursuant to the following procedure:

- for registered shareholders: present the day of the General Meeting directly to the registration desk with an ID or apply for an admission card to BNP Paribas Securities Services, CTS Service Assemblées Générales – Les Grands Moulins de Pantin - 9, rue du Débarcadère – 93761 Pantin Cedex.

- for bearer shareholders: ask to the record intermediary in charge of the management of his securities account to receive of an admission card.

The shareholders who do not personally attend the General Meeting and who wish to use a proxy vote form or be represented to this meeting by giving proxy to the Chairman of the General Meeting, their spouse or to person with who the concerned shareholder concluded a “*pacte civil de solidarité*” (as defined in the French Civil Code) will have the possibility:

- for the registered shareholders: to sent back the unique proxy vote form by mail at the following address: BNP Paribas Securities Services, CTS Service Assemblées Générales – Les Grands Moulins de Pantin - 9, rue du Débarcadère – 93761 Pantin Cedex.

- for the bearer shareholders: request the proxy vote form to the record intermediary in charge of the management of his securities account. The proxy vote form shall be sent together with an attendance certificate provided by the financial intermediary and sent at the following address: BNP Paribas Securities Services, Service Assemblées Générales – CTS Assemblées Générales – Les Grands Moulins de Pantin - 9, rue du Débarcadère – 93761 Pantin Cedex.

In order to be taken into account the proxy vote form shall have been received by the Company or by the Service “Assemblées Générales” of BNP Paribas Securities Services, at the latest three business days before the date of the General Meeting.

The shareholders will have the possibility to obtain, within the regulatory terms, the documents as listed in articles R.225-81 et R.225.83 of the French Commercial Code by sending an application to BNP Paribas Securities Services, Service Assemblées Générales – CTS Assemblées Générales – Les Grands Moulins de Pantin 9, rue du Débarcadère – 93761 Pantin Cedex.

Pursuant to article R.225-79 of the French Commercial Code, the notification of the designation and revocation of a representative may also be completed by electronic way, according to the following conditions:

- for the registered shareholders: by sending an email with electronic signature obtained by the concerned registered shareholder through an empowered third party certifier at the following address: [AGOE2016@soitec.com](mailto:AGOE2016@soitec.com) and indicating their name, first name, address and their login to the BNP Paribas Securities Services together with the name and first name of the designated or revoked representative.

- for the bearer shareholders: by sending an email with electronic signature obtained by the concerned registered shareholder through an empowered third party certifier at the following address: [AGOE2016@soitec.com](mailto:AGOE2016@soitec.com) and indicating their name, first name, address and their login to the BNP Paribas Securities Services together with the name and first name of the designated or revoked representative; and then by asking to the authorized intermediary in charge of the management of his securities account to send a written confirmation to BNP PARIBAS Securities Services – CTS - Assemblées Générales – Les Grands Moulins de Pantin Cedex.

Only the notifications of the designation and revocation authorizations which are duly signed, filled up and received at the latest on July 22, 2016 (3.00 pm) will be taken into account. In addition, only the notifications of the designation and revocation authorizations shall be sent to the aforementioned electronic address, and any other request or notification regarding another subject shall not be taking into account and/or treated.

### **Shareholders' right to receive communication**

All the documentation and information as referred to under article R.225-73-1 of the French Commercial Code can be consulted on the web site of the Company [www.soitec.com](http://www.soitec.com) from the twenty first day before the General Meeting.

### **Written questions**

Each shareholder is entitled to send to the Chairman of the Supervisory Board, who will reply during the meeting, the written questions he would like to address during the General Meeting. The questions shall be sent with registered letter and acknowledgement of receipt at the head office. Such sending shall be made at the latest the fourth open day before the General Meeting.

### **Miscellaneous**

No electronic vote will be set up for this General Meeting. As a consequence, no web site as mentioned in article R. 225-61 of the French Commercial Code will be set up.

**EXECUTIVE SUMMARY OF SOITEC ACTIVITY**  
**FOR FISCAL YEAR 2015-2016**

**Group activities for the financial year 2015-2016**

Activity of the 2015-2016 financial year was marked by strong sales growth, which contributed, with the continuation of cost reduction efforts and refocusing on Electronics, to a significant improvement in operating income.

Income Statement (€ million)	2013-2014	2014-2015 (published)	2014-2015 (restated*)	2015-2016
Revenues	247.1	222.9	171.6	233.2
Gross margin	(55.7)	(30.8)	26.6	62.2
Op income before non-recurring items	(137.3)	(125.9)	(22.9)	22.4
Other prod'n & operational expenses	(82.4)	(151.5)	(22.3)	(29.4)
Net operating income	(219.6)	(277.3)	(45.2)	(7.0)
Income from discontinued operations	-	-	(201.8)	(38.6)
Net income (Group's share)	(236.7)	(259.2)	(258.7)	(71.7)
Undiluted EPS (€)	(1.45)	(1.23)	(1.23)	(0.31)

*\* Results of the Solar Energy sector presented as discontinued operations, by way of application of the IFRS 5 standard; impact of the IFRIC 21 standard on taxes. In order to facilitate the comparison between the two years, the analyses below are based on the restated results for the financial year 2014-2015.*

Total consolidated revenue from continuing operations rose 36% to €233 million in 2015-2016, against €172 million in 2014-2015. This growth is attributable to the sharp increase in sales volumes in the Electronics segment. Moreover, the favourable evolution in exchange rates explains more than 40% of sales growth of Electronics (€27 million, out of total growth of €61 million), which are almost 100% denominated in dollars.

The gross margin experienced strong improvement, rising from €27 million (15.5% of sales) to €62.2 million (26.7% of revenues) under the combined effect of growth in sales volumes of 200 mm plates and improvement in the euro-dollar exchange rate.

The continuation of cost reduction efforts and increase in the amount of aid translate into a decrease of 19% in the sum of research and development costs and administrative costs, which rose from €49.5 million in 2014-2015 to €39.9 million in 2015-2016, enabling the Group to report positive operating income before non-recurrent items of €22.4 million (9.6% of revenues), against negative operating income before non-recurrent items of €22.9 million for the previous year.

Other operating income and expenses mainly consisted of an expense of €20.1 million resulting from impairment tests of non-current assets (Singapore clean room), with the balance principally corresponding to expenses incurred at the start of the financial year for the restructuring of debt within the framework of the conciliation protocol.

For the financial year 2015-2016, the result of discontinued operations mainly consists of the result of Other Activities (expense of €12.4 million) and a foreign exchange loss resulting from the write-back to the income statement of conversion differences for the accounts of subsidiaries hosting activities in the field of solar energy, previously recorded under shareholders' funds, as well as unrealized foreign exchange results on foreign currency loans granted to the same subsidiaries.

Net income (Group's share) was a loss to € (71.7) million, a sharp improvement from the loss of € (258.7) million recorded for 2014-2015. Net earnings per share on a diluted basis were a loss of € (0.31), against a loss of € (1.23) in the previous year.

## Balance sheet

For purposes of comparison on a constant basis, the share of assets and liabilities of Solar Energy segment and reclassified as Discontinued Operations has been isolated and is presented in the following table.

Assets (€'000)	31 March 2016	31 March 2015	31 March 2015 Balance sheet detail of the abandoned activities of the Solar Energy segment*	31 March 2015 Results restated for the abandoned activities of the Solar Energy segment*
Non-current assets:				
Goodwill and other intangible fixed assets	3,823	8,842		8,842
Development projects capitalized	1,855	2,226		2,226
Tangible fixed assets	120,642	156,736		156,736
Solar power plant projects	-	1,600	1,600	-
Deferred tax assets	-	-		
Investments in equity affiliates	-	-		
Non-current financial assets	8,900	5,739	561	5,178
Other non-current assets	24,692	28,961	269	28,692
<b>Total non-current assets</b>	<b>159,912</b>	<b>204,104</b>	<b>2,430</b>	<b>201,674</b>
Current assets:				
Inventories	30,910	33,073	5,013	28,060
Clients and associated accounts	40,436	43,812	1,638	42,174
Other current assets	17,508	18,894	5,323	13,572
Current financial assets	1,444	1,311	328	983
Cash and cash equivalents	49,068	22,911		22,911
Total current assets	139,366	120,001	12,302	107,700
Assets intended for sale	22,054	69,435	-	69,435
Assets of discontinued activities	3,802	-		14,731
<b>Total assets</b>	<b>325,134</b>	<b>393,540</b>	<b>14,731</b>	<b>393,540</b>

\* Assets and liabilities of the Solar Energy sector presented in Discontinued Operations under the IFRS 5 standard.

	31 March 2016	31 March 2015	31 March 2015 Balance sheet detail of the abandoned activities of the Solar Energy segment*	31 March 2015 Results restated for the abandoned activities of the Solar Energy segment*
Shareholders' funds				
<b>Total consolidated equity</b>	<b>(7,111)</b>	<b>49,958</b>	<b>(36)</b>	<b>49,994</b>
Non-current liabilities				
Long-term financial debts	159,980	123,552	1,947	121,605
Deferred tax liabilities	-	-		156,736
Provisions and other non-current liabilities	14,148	17,543	2,055	15,488
<b>Total non-current liabilities</b>	<b>174,128</b>	<b>141,095</b>	<b>4,002</b>	<b>137,093</b>
Current liabilities:				
Short-term financial debts	58,960	49,455	2,755	46,700
Suppliers	42,551	52,279	5,199	47,080
Provisions and other current liabilities	40,123	83,902	37,014	46,888
<b>Total current liabilities</b>	<b>141,634</b>	<b>185,635</b>	<b>44,968</b>	<b>140,668</b>
Liabilities intended for sale	-	16,852	-	16,852
Liabilities of discontinued assets	16,483	-		48,933
<b>Total liabilities</b>	<b>325,134</b>	<b>393,540</b>	<b>48,933</b>	<b>393,540</b>

The Group's available cash position improved during the financial year 2015-2016, from €22.9 million on 31 March 2015 to €49.1 million on 31 March 2016. This improvement was mainly due to the financings arranged with its partners Shin Etsu Handotai (SEH), Bpifrance Participations, CEA and Realta Leasing.

Financial debt excluding discontinued operations increased from €168.3 million on 31 March 2015 to €219 million on 31 March 2016. Net debt increased during the year from €145.4 million on 31 March 2015 to €169.9 million on 31 March 2016. At the same time, shareholders' equity fell from €50 million to €(7.1) million on 31 March 2016.

## Group situation and results for the financial year 2015-2016

### Revenues

The Electronics division represented 100% of Group revenues for the financial year 2015-2016 (as for the restated financial year 2014-2015). Growing strongly during the year (36%), sales amounted to €233 million.

#### Breakdown by sales proceeds of the Electronics Division

€million	Sales 2015-2016	Sales 2014-2015	Annual change (in %)	Principal clients	Products	Applications
Royalties	9.1	4.2	117%			
GaAs	-	2.3	-100%	TriQuint, UMS	GaAs wafers	RF
SOI 200mm	170.5	120.6	41%	TSMC, UMC, Global Foundries, NXP, Tower Jazz, Sony	eSI, HR SOI, Power SOI	Smartphones, Tablets, Automotive, Industrial
SOI 300mm	53.6	44.6	20%	Global Foundries, ST Microelectronics	PD SOI, FD SOI	Servers, PCs, Gaming, Smartphones
<b>Total</b>	<b>233.2</b>	<b>171.6</b>	<b>36%</b>			

Compared to last year, sales of 200 mm wafers increased by 42% to €170.5 million against €120 million in 2014-2015. These wafers are mainly targeted at radio frequency (RF) applications and power electronics. The Bernin production unit for 200 mm wafers is now operating at full capacity. The agreement reached with the Chinese subcontractor Simgui will provide access to additional capacity to meet growing demand.

Sales of 300 mm SOI wafers rose by 13% to €53.6 million, against €47 million in 2014-2015. Some PD-SOI products for the markets for PCs and games consoles reached the end of their lives.

The Group is continuing to work towards the qualification of its fully depleted silicon on insulator (FD-SOI) 300mm wafers from leading foundries, in order to capture the strong growth potential of the market for applications dedicated to consumer electronics, automobiles and industry. The radiofrequency market (RF) also offers prospects for demand for 300 mm wafers.

In 2014-2015, Digital sales of the Electronics segment partly included GaAs (gallium arsenide) materials. The goodwill of this business was sold during the financial year 2014-2015.

#### Breakdown of Division revenues by client

	2013-2014	2014-2015	2015-2016
Five first clients	61%	67%	57%
Client No. 6 to No. 10	19%	21%	28%
Other clients/royalties	20%	11%	15%

#### Geographical distribution of sales of the Division (300 mm + smaller diameters + III-V materials)

	2013-2014	2014-2015	2015-2016
United States	39%	39%	28%
Europe	41%	29%	41%
Asia	20%	32%	31%

The first five clients represented 57% of sales for the financial year 2015-2016 against 67% for the previous financial year.

#### **Other activities**

This sector includes the Lighting operations (revenues of €1.2 million in 2015-2016 against €1.8 million in 2014-2015) and Equipment (revenues of €3 million in 2015-2016 against €6.3 million in 2014-2015). As part of the strategy to focus on the Electronics business, the Group sold its Altatech subsidiary in March 2016, which hosted the Equipment activity. During the same month, the staff and the residual assets of the Lighting business were transferred to an unconsolidated company named Ceotis, after the Group concluded the sale of its subsidiary SOITEC Phoenix Labs in December 2016, which hosted its research and development activities in the field of lighting. Pursuant to the IFRS 5 standard on discontinued operations, the financial results of this activity are no longer detailed, but grouped within a single line of the income statement, representing the impact on the Group's net income.

#### **Solar Energy Division**

The revenue generated by the Solar Energy segment amounted to €22.5 million, against €43.2 million in 2014-2015. By way of application of the IFRS 5 standard on discontinued operations, the financial results of this activity are no longer detailed, but grouped within a single line of the income statement, representing the impact on net income of the Group.

#### **Gross margin**

Gross margin corresponds to total revenues less cost of sales. Cost of sales is equal to the sum of production and distribution costs, as well as patent royalties (principally CEA-Leti for the use of SmartCut™ technology).

Gross margin for the Solar Energy segment and Other Activities segment does not appear in Group gross margin, in view of its reclassification under discontinued operations at the level of net income.

Production costs include costs of raw materials, essentially silicon, manufacturing costs, including direct labor costs, depreciation and maintenance costs of production equipment and clean room infrastructure, as well as the share of general expenses allocated to production.

The impact of the growth in revenues on gross margin in 2015-2016 was very positive. Gross margin improved significantly from €26.6 million (16% of revenues) in 2014-2015 to €62.2 million (26.7% of revenues) in 2015 -2016. The increase derives exclusively from the Electronics segment, by virtue of strong growth in sales volume of 200 mm wafers.

#### **Research and development costs**

Research and development costs are expensed as they occur, if the criteria required by the IAS 38 standard to permit their activation in the balance sheet do not occur.

Research and development costs essentially consisted of the following items:

- Salaries and benefits;
- Operating costs of clean rooms and equipment necessary for research and development activities;
- Material consumed for the development and manufacture of prototypes;
- Subcontracting to public research centre or private laboratory, cooperation agreements;
- Costs linked to the maintenance and strengthening of the intellectual property rights of the Group.

Provided that the agreements are signed and the administrative authorizations have been obtained, the amounts received under assistance contracts are deducted from gross costs of research and development in order to arrive at a net amount attributed to the income statement.

Part of the aid contributing to the financing of R&D activities may be granted in the form of repayable advances. In accordance with the IAS 38 and IAS 20 standards, if the Group considers that the technical and commercial progress of projects renders their probability of success low, the corresponding development costs are not capitalized but recorded directly under income and the corresponding reimbursable advances are recorded as a deduction from such costs, regardless of notifications by financing organizations, which can only intervene subsequently, after achieving milestones which end programs or initiate the period of repayment of advances.

The Group may be led, depending on the development of the probabilities of technical or commercial success of the projects in question, to record a financial liability in view of prospective revenues generated by the new products

developed within the context of assistance programs. In this way, a part of the reimbursable advances received by way of the Nanosmart and G<sup>2</sup>REC assistance programs were recorded under the income statement, on the basis of reimbursement hypotheses deriving from the business plan. A strong upward correction to long-term forecasts for sales of FD-SOI or SOI for radio frequency applications could lead to the reclassification under debt of part of the aid transferred to the income statement. The maximum theoretical amount that could be reclassified is €15 million, although the probability of reaching such a level is extremely low. Conversely, if sales forecasts are revised downwards, the maximum amount of advances among the balance sheet liabilities, which could be reclassified in the income statement is €12 million.

SOITEC S.A. benefits from a research tax credit (CIR). This credit is recorded as a deduction from research and development costs, pursuant to the IAS 20 standard. The amount of the CIR recorded in the financial statements for the financial year 2015-2016 amounted to €11 million.

Net research and development costs experienced a significant decline to €17 million (7% of revenues), against €25 million (15% of revenues) in the previous year. This development reflects a reduction in costs due to the abandonment of programs relating to non-strategic activities and a sharp rise in the amount of aid, in part due to the lag between the date of signing of the financing agreements, which allows the recognition of aid in the income statement, and the effective launch date of programs, which is sometimes several months earlier.

### **Selling and marketing costs**

Selling and marketing costs of the Electronics activity remained stable and amounted to €5.6 million, against €5.7 million in the previous year.

### **General and administrative expenses**

General and administrative expenses fell 6% to €17.7 million in 2015-2016 against €18.9 million in 2014-2015. This improvement is the result of a continuous policy of cost reductions. General and administrative costs do not include costs relating to the Group's restructuring and to recapitalization transactions, included in other operating expenses or as a reduction of the issue premium, if any.

### **Operating income before non-recurrent items**

Operating income before non-recurrent items is calculated by deducting net research and development costs, general and administrative costs and sales and marketing expenses. Under the combined effect of the reduction in these expenses and the increase in gross margin, operating income before non-recurrent items rose sharply, to a positive €22.4 million, against a loss of € (22.9) million in 2014-2015.

### **Operating income**

Operating income consists of current operating income and other operating income and expenses.

For the financial year 2015-2016, the Group recorded a non-recurring net expense of €29 million (against a net expense of €22.3 million in 2014-2015).

This charge results partly from the legal and advisory fees incurred as part of the conciliation procedure and the reorganization of the Group's business portfolio. It includes net restructuring costs, excluding solar activity.

Other operating expenses in 2015-2016 also included the impact of the impairment test of non-current assets, recorded on the value of the clean room in Singapore (€20.1 million).

Operating income was a loss of €7.0 million, against a loss of €45.2 million for the previous year.

### **Net financial income**

For the financial year 2015-2016, the Group recorded net financial income of €22.5 million, compared to net financial income of €11.4 million over the previous year.

This expense is explained by the following items:

Net financial income excluding net currency gains was a loss of €22.7 million in 2015-2016, against a loss of €17.7 million in 2014-2015.

- In 2015-2016, a financial charge of €10.2 million was registered under the 2018 OCEANE [bonds convertible into new or existing shares] issue, for which coupons are paid semi-annually on 18 September and 18 March.

- The guarantee deposit linked to the bond issue for the Touwsrivier solar power plant in South Africa formed the object of an additional provision of €5.0 million in September 2015, bringing its net book value in the balance sheet to €2.7 million.

- As part of the conciliation protocol approved by the Commercial Court of Grenoble in May 2015, bank credit lines were the subject of a moratorium and the maturing of €37.2 million of debt was postponed until 30 November 2019. The interest rate is between 0.57% and 0.96%. For the financial year 2015-2016, interest expense amounted to €0.3 million. Interest is capitalized and payable at the end of the loan.

- Moreover, new loans were granted by CEA, Shin-Etsu Handotai and BPI for an initial total amount of €54 million. These new loans, remunerated at rates of between 2.99% and 12.00%, will mature in May 2016. In 2015-2016, interest expense amounted to €2.6 million.

A partial repayment of these loans, of €11.9 million, was made during the first half of 2016.

- The Group signed a new leasing contract for production equipment.

A first tranche of €11 million was finalized in October 2014, concluded for a 3-year period, with interest at a rate of 7.04%. A second tranche was finalized in August 2015 for €11 million, concluded for a 3-year period with an interest rate of 11.40%. In 2015-2016, the interest expense was €1.3 million.

A net currency gain of €0.2 million, was recorded, against a net gain of €6.2 million in the previous year. It is essentially the result of the change in the dollar against the euro. This foreign exchange result breaks down into:

- A net currency gain of €2.8 million in 2015-2016, against a gain of €5.9 million in 2014-2015.

- A net unrealized currency loss of €2.6 million in 2015-2016, against a profit of €0.3 million in 2014-2015.

## **Net income from discontinued operations**

A net loss of €38.4 million from discontinued operations was recorded for the financial year 2015-2016. This breaks down into a loss of €26 million in the Solar Energy segment and a loss of €12.4 million in the Other Activities (lighting and equipment) segment.

The breakdown of negotiations with ConcenSolar for the sale of certain assets of the Solar Energy business, announced in the press release of 5 August 2015, led Soitec to pursue its plan for halting production and research and development activities in San Diego (USA) and Freiburg (Germany) and selling the remaining assets. With the criteria of the IFRS 5 standard met on 31 March 2016, net income from discontinued operations was thus presented on a single line "Net income from discontinued operations" at the level of net profit.

Operating income before non-recurring activities for the abandoned activities of the Solar Energy segment represented a gain of €1.7 million for the financial year 2015-2016. Net operating income was a positive €1.4 million, mainly explained by the reversal of guarantee provisions for €1 million.

The balance of the restructuring provision for the Solar Energy segment amounted to €11.2 million. The loss of €26 million was principally due to the change in exchange rates: on the one hand, in accordance with the IFRS 5 standard, the reclassification in the income statement of cumulative translation adjustments in the balance sheet of subsidiaries hosting discontinued operations (an expense of €22.4 million for the US subsidiaries and of €8 million for the South African subsidiaries) and translation differences for current accounts classified as net investments, corresponding to the financing of the photovoltaic modules plant in San Diego, historically recorded in the net financial position (income of €13.5 million); on the other hand, an unrealized foreign exchange loss on loans to these same subsidiaries for €10.5 million.

The principal financial assets linked to the Touwsrivier solar power plant in South Africa were reclassified as assets held for sale due to the progress in the initiatives aiming at their disposal, with the conclusion of a transaction foreseeable on a 12-month view. These include the 20% stake in the project company CPV Power Plant No. 1, consolidated via the equity method, and financial receivables. A guarantee deposit was maintained among non-current financial assets. All other elements of the Solar Energy segment are now classified as discontinued activities.

Moreover, in the "Other activities" segment in the area of lighting, in December 2015, the Group sold its US research and development subsidiary Soitec Phoenix Labs. The remaining assets and staff allocated to this activity were transferred in March 2016 to a newly incorporated and unconsolidated company, CEOTIS. The sale of the French subsidiary Altatech, in the field of equipment sales, was concluded on 29 March 2016. Due to their effective disposal during the financial year, these activities were also treated as discontinued operations.

## Results and taxes

The group's share of net profit was a loss of € 71.6 million in 2015-2016, against a loss of € 259 million in 2014-2015.

Diluted earnings per share was a loss of € 0.31, split between continuing operations € (0.14) and discontinued operations € (0.17). For the 2014-2015 fiscal year, diluted earnings per share was a negative € (1.23) per share, distributed among continuing operations € (0.28) and discontinued operations € (0.95).

## Financing and liquidity resources

The net loss for the financial year 2015-2016 impacted consolidated equity, which became a negative € (7) million on 31 March 2016 against € 50 million on 31 March 2015. Gross financial debt amounted to € 219 million on 31 March 2016 against € 168 million on 31 March 2015. Available cash rose from € 22.9 million on 31 March 2015 to € 49 million on 31 March 2016.

The main items of financial debt were: OCEANE convertible bond maturing in 2018, representing a nominal amount of € 103.2 million and a net amount among non-current liabilities of € 93.9 million, after deduction of an equity instrument component reclassified as equity in accordance with the IAS 39 standard; bank credit lines for € 51 million, divided between a non-current portion of € 45 million and a current portion of € 6.4 million.

Additional information on the financing of the Company and the Group are provided in note 3.15 of the consolidated financial statements relating to borrowings.

## Consolidated Cash Flows

Cash flows, resulting from operating activities for the 2015-2016 financial year were a negative € (12.4) million. These broke down into a positive flow of € 20.4 million for Electronics, offset by negative cash flow of € (32.9) million for discontinued operations.

The cash flow from investing activities amounted to € 26.9 million in 2015-2016, against € (28.8) million in 2014-2015.

- Continuing operations: flows amounted to € (7.3) million in 2015-2016, against € (13.5) million in 2014-2015. This reflects stable cash outflows linked to industrial investments for the Electronics. During the financial year 2014-2015, the Group also generated higher asset disposal proceeds of € 5.4 million, mainly on account of the sale of the operating assets of the subsidiary Soitec Specialty Electronics, offset by capital contributions principally concerning the subsidiary hosting the Touwsrivier solar power plant.

- Discontinued operations: flows amounted to € 34.2 million and mainly related to receipts for the sale of the San Diego building (€ 26.7 million), of equipment in San Diego and Fribourg (€ 3.1 million) and solar plants (€ 2 million). During the last quarter of 2015-2016, the Group sold two projects under development, for € 0.3 million.

Cash flow from financing activities was positive (+ € 12 million). This amount was divided between:

- Continuing operations, amounting to € 33 million, of which the main elements are the new loan of € 54 million and the signing of a new financing lease of € 11 million.

- Discontinued operations amounting to € (21) million, mainly concerning the repayment of debt relating to the financing of the San Diego building for € 16.2 million and the reimbursement of the loan to the company Reflexite, linked to the acquisition of a 50% stake in the joint-venture Reflexite SOITEC-Optical Technology, for € 2.3 million.

On 31 March 2016, the Group had available cash (including cash equivalents) of € 49 million.

## **Outlook**

As stated in the second update of the 2014-2015 reference document filed with the French Financial Markets Authority on 2 May 2016, the prospects are encouraging: growing demand for radio frequency and power applications for products should be robust and offset the effects of arriving at the end of the lifecycle for PDSOI products. If this were the case, the objective for the Electronics business would be to achieve single-digit revenue growth, at constant exchange rates, and an EBITDA margin around the level of the financial year 2015-2016.

For the first quarter of the financial year 2016-2017, for the Electronics sector, the Group is forecasting sales at constant exchange rates in line with those of the first quarter of, the financial year 2015-2016, i.e. a reduction of approximately 15% relative to the fourth quarter of the financial year 2015-2016.

In the longer term, the Group intends to take advantage of promising prospects linked to the adoption of FD SOI by the semiconductor industry.