

## **MEDICREA INTERNATIONAL**

A French corporation (*société anonyme*) with share capital of €2,595,175.52  
Registered office: 5389 Route de Strasbourg – Vancia (69140) RILLIEUX LA PAPE

393 175 807 RCS LYON

### **NOTICE OF ORDINARY SHAREHOLDERS' MEETING**

Notice is hereby given that a Shareholders' Meeting will be held at the Company's registered office at 2.30 pm (CET) on June, 3<sup>rd</sup>, 2019 for the purpose of discussing the following agenda:

#### **Resolutions falling within the competence of the Ordinary General Assembly:**

- Presentation of the Board of Directors' report on the management of the Company and the Group ;
- Reading of the Statutory Auditors' report on the parent company and consolidated financial statements for the year ended December 31, 2018;
- Approval of the parent company and consolidated financial statements for the year ended December 31, 2018 and discharge to the Directors;
- Allocation of net income;
- Deduction of losses carried forward from the “Issue, merger, and contribution premiums” item.
- Approval of a regulated agreement between Orchard International and Medicrea International relating to management and services as described in Statutory auditors special report;
- Approval of the Stock Option and / or Share Purchase Plan adopted by the Board of Directors on may 17<sup>th</sup>, 2018 ;
- Renewal of the tenured statutory auditors and substitutes statutory auditors ;
- Directors fees ;
- Authorization granted to the Company to purchase and hold its own shares in accordance to article L.225-209 of the French Commercial Code
- Powers to carry out formalities.

#### **Resolutions falling within the competence of the Extraordinary General Assembly:**

- Reading of the special report of the Statutory Auditors on the cancellation of shares;
- Authorization to be granted to the Board of Directors to cancel the shares held by the Company as part of the Company's purchase program of its own shares;
- Reading of the Statutory Auditors' special report on the delegation to the Board of Directors of the power to proceed to the issue of all securities with cancellation of the preferential subscription right for the benefit of categories of persons meeting certain characteristics in accordance with provisions of Article L.225-138 of the French Commercial Code;
- Delegation of authority to be granted to the Board of Directors to decide to increase share capital by issuing ordinary shares and/or marketable securities giving access to the Company's capital or entitlement to the allocation of debt securities, with removal

of pre-emptive rights under article 225-138 of the French Commercial Code (reserved for a category of entities)

- Reading of the special report of the Statutory Auditors on the removal of the preferential subscription right to the capital increase reserved for the benefit of the members of a company savings plan;
- Delegation of authority to be conferred on the Board of Directors to increase the share capital with cancellation of the preferential subscription right for the benefit of members of a company savings plan, with delegation to the Board of Directors to effect the issue and to determine its terms and conditions;
- Cancellation of the preferential subscription right of Shareholders for the benefit of members of a company savings plan through an FCPE (or other plan to members of which Article L.3332-18 of the Labor Code would allow to reserve a capital increase under equivalent conditions) of the Company and the companies of its Group within the meaning of Article L.225-180 of the French Commercial Code. ;

## Ordinary resolutions

### FIRST RESOLUTION

#### *Approval of the parent company financial statements*

The Shareholders' Meeting, after submission of the Board of Directors' report and after reading the Statutory Auditors' report on the parent company financial statements for the year ended December 31, 2018, approves the financial statements as they were submitted, as well as the transactions recorded in these statements or summarized in these reports.

The Shareholders' Meeting also approves the total amount of non-deductible expenses and costs from profits liable to corporate tax totalling €176,029 as well as the tax payable due to said expenses and costs amounting to €49,288.

Consequently, it discharges the Directors from any liability in the performance of their duties for the fiscal year.

### SECOND RESOLUTION

#### *Allocation of net income*

The Shareholders' Meeting, based on the proposal by the Board of Directors, resolves to carry forward to "Retained earnings" the entire net loss for the fiscal year, totalling €6,243,691.98.

Pursuant to the provisions of Article 243 bis of the French General Taxation Code, please note that no dividend has been paid in the last three fiscal years.

### THIRD RESOLUTION

#### *Deduction of losses carried forward from the "Issue, merger and contribution premiums" item*

Having acknowledged the Board of Directors' report, the **Shareholders' Meeting**:

**observes** that, following the allocation of income for the fiscal year ended December 31, 2018, as decided in the 2<sup>nd</sup> resolution above, the "Retained earnings" item shows losses of €6,243,691.98;

**decides** to clear said "Retained earnings" item, which shows a loss, in full, i.e. in an amount of €6,243,691.98, by deducting that amount from the "Issue, merger, and contribution premiums" item, which amounts to €23,711,654.42 prior to the deduction;

**observes** that, as a result of this deduction, the "Retained earnings" item has now been fully settled, and that the "Issue, merger, and contribution premiums" item shows a positive balance of €17,467,962.44.

#### **FOURTH RESOLUTION**

*Approval of the Regulated agreement concluded with Orchard International relating to a service and management delivery*

The Shareholders' Meeting, after hearing the special report of the Statutory Auditors on the agreements falling under Articles L. 225-38 *et seq.* of the French Commercial Code approves the service and management agreement with Orchard international as detailed in the special report of the Statutory Auditors and approves the provisions of the said report.

#### **FIFTH RESOLUTION**

*Approval of the consolidated financial statements*

The Shareholders' Meeting, after submission of the Board of Directors' report including the Group's management report and after reading the Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2018, approves the consolidated financial statements as they were submitted, approves the accounts, which show a consolidated net loss result of €11,810,128 as well as the transactions recorded in these statements or summarized in these reports.

#### **SIXTH RESOLUTION**

*Change in Directors' fees*

The Shareholders' Meeting determines at €80,000 the amount of directors' fees allocated to the Board of Directors for the year ending December 31, 2019 and for subsequent fiscal years, until decided otherwise by the Shareholders' Meeting.

#### **SEVENTH RESOLUTION**

*Approval of the Stock Option and / or Share Purchase Plan adopted by the Board of Directors on May 17<sup>th</sup>, 2018*

The Shareholders' Meeting, having taken note of the report of the Board of Directors and of Article 422 of the U.S. Internal Revenue Code relating to the allocation of "incentive stock options" for the benefit of US tax resident beneficiaries provided for in the Stock option and / or share purchase option Plan adopted by the Board of Directors at its meeting of May 17<sup>th</sup>, 2018, approves said Option Plan.

#### **EIGHTH RESOLUTION**

##### *Renewal of the tenured Statutory Auditors*

The Shareholders' Meeting, observing that the mandate of the tenured Statutory Auditor of ERNST & YOUNG and Others expires today, decides to renew it for a period of six financial years, ie until the end of the Shareholders' Meeting called to approve the account of the financial period ending on December 31, 2024.

#### **NINETH RESOLUTION**

##### *Renewal of the substitute Statutory Auditors*

The Shareholders' Meeting, observing that the mandate of the substitute Statutory Auditor of AUDITEX expires today, decides to renew it for a period of six financial years, ie until the end of the Shareholders' Meeting called to approve the account of the financial period ending on December 31, 2024.

#### **TENTH RESOLUTION**

##### *Authorization granted to the Company to purchase and hold its own shares*

The Shareholders' Meeting, upon proposal by the Board of Directors, decides, to renew the authorization given to the Board of Directors by the Shareholders' Meeting held on May 17<sup>th</sup>, 2018 in accordance with Article L. 225-209 of the French Commercial Code, and subject to compliance with statutory and regulatory provisions applicable at the time of intervention, to authorize the Company to purchase and hold its own shares, up to no more than 10% of the share capital, of which 5% of the share capital in the case of shares acquired by the Company for their retention and subsequent delivery in payment or exchange in the context of an external growth transaction, by order of priority:

- to ensure the animation of the secondary market or the liquidity of the MEDICREA INTERNATIONAL share by an investment services provider acting independently under a liquidity contract in accordance with a Code of Ethics recognized by the Autorité des Marchés Financiers;
- to ensure the coverage of stock option plans and / or bonus share plans (or similar plans) for the benefit of the Group's employees and / or corporate officers to proceed with the reduction of capital of the Company by cancellation of shares within the legal limits;
- to reduce the Company's capital by cancelling shares within the legal limits;
- to keep the purchased shares and to postpone them later to the exchange, or as payment in the context of possible acquisitions;
- to implement any market practice admitted or to be accepted by the market authorities.

The transactions conducted as part of the buyback program will be carried out pursuant to applicable regulations.

Share purchases made under this authorization will be implemented within the following price limit, subject to adjustments relating to any transactions affecting the Company's capital: the maximum purchase price cannot exceed €25 (excluding acquisition costs) per share with a par value of €0.16.

The theoretical maximum amount for the implementation of this program is €40.549.617.50, financed either by own resources or by the use of short- or medium-term external funding.

Shares can be bought back by any appropriate method, including through acquisition of blocks of securities on one or more occasions, and including while a public tender offer is in progress within the limits authorized by stock market regulations.

In the event of capital transactions, in particular by incorporation of reserves and free allocations, division or consolidation of securities, the above prices will be adjusted accordingly.

To this end, full authority is granted to the Board of Directors who may further delegate to the Chairman and CEO the authority to place all stock market orders, enter into all agreements, in particular with a view to keeping records of share purchases and sales, make all declarations to the AMF and any other organizations; carry out all other formalities and, more generally, do all that is necessary.

This authorization is granted until the date of the next Shareholders' Meeting called to approve the financial statements, within the statutory limit of eighteen months as of this day.

Every year the Board of Directors shall inform the Ordinary General Meeting of transactions carried out pursuant to this authorization.

#### **ELEVENTH RESOLUTION**

*Powers to carry out formalities*

The Shareholders' Meeting grants full authority to the bearer of originals, copies or extracts of these minutes in order to accomplish all necessary filing and other formalities.

#### **Extraordinary resolutions**

#### **TWELFTH RESOLUTION**

*Authorization to be granted to the Board of Directors to cancel the shares held by the Company as part of the share buyback program*

The Shareholders' Meeting, after reviewing the Board of Directors' report and after reading the Statutory Auditors' special report and subject to approval of the 10<sup>th</sup> resolution submitted to this Shareholders' Meeting, authorizes the Board of Directors, who may further delegate to the Chairman and CEO, to:

- cancel the shares held by the Company or acquired by it as part of the share buyback program, within the limit of 10% of the share capital per twenty-four-month period;
- make a corresponding reduction in the share capital by the amount of the cancelled shares;
- amend the bylaws accordingly, and more generally do whatever is necessary.

This authorization is hereby granted for eighteen months as of the date of this Meeting.

#### **THIRTEENTH RESOLUTION**

*To grant authorisation for the Board of Management to decide to increase share capital by issuing ordinary shares and/or marketable securities giving access to the Company's capital or entitlement to the allocation of debt securities, with removal of pre-emptive rights under article 225-138 of the French Commercial Code (reserved for a category of entities)*

Having acknowledged the Board of Directors' report and the Auditor's special report, in compliance with legal provisions, the Shareholder Meeting:

- delegates authority to the Board of Directors to decide one or more increases in share capital by issuing in France or abroad, in euros, ordinary shares in the Company or any marketable securities giving access by any means, immediately or at a later date, to existing ordinary shares or ordinary shares to be issued by the Company or by a company that directly or indirectly owns more than half of its share capital or in which the Company directly or indirectly owns more than half of the share capital, which may be subscribed either in cash or by offsetting debts. These marketable securities may also be denominated in foreign currencies or in any monetary unit pegged to a basket of currencies;

decides that the total of share capital increases that may potentially be performed under this delegation immediately or at a later date may not exceed eight hundred thousand (800,000) euros in par value, with it being stipulated that this amount shall not be charged to the global ceiling specified in the 19th resolution of the Shareholders' Meeting of May 17<sup>th</sup>, 2018 ("**Global Ceiling I**");

decides that the total amount (i) of marketable debt securities giving access to capital by any means, immediately or at a later date, that may potentially be issued by virtue of this resolution may not exceed twenty-five million (25,000,000) euros par value or the equivalent of this amount in other currencies, on the date of deciding the issuance, and (ii) shares to be issued subsequent to the issue of hybrid marketable securities may not exceed eight hundred thousand (800,000) euros in par value and shall not be charged to the global ceiling specified in the 19th resolution of the Shareholders' Meeting of May 17<sup>th</sup>, 2018 ("**Global Ceiling II**");

- decides to remove the Shareholder pre-emptive right to shares or marketable securities specified in this resolution and to reserve the right to subscribe to a category of entities defined as follows: International investment funds and/or companies (i.e. conducting financial transactions in a number of countries), operating in the sector of health and/or medical devices and which each place at least one hundred thousand (100,000) euros, or the equivalent in foreign currencies, in the operation (in compliance with the provisions of article 211-2 3) of the General Regulations of the Financial Markets Authority (AMF);
- decides that the Board of Directors shall establish the precise list of beneficiaries for each use of this delegation, within the category of beneficiaries stipulated in the above paragraph for which pre-emptive rights have been removed and shall set the characteristics, amount and terms for any issuance, together with the payment terms securities issued;
- decides that the share issue price shall be at least equal to the weighted average of the stock market price of the twenty most recent stock exchange sessions preceding its determination, with a maximum 10% reduction as required;
- decides that the Board of Directors may if necessary charge any expenses involved in performance of the issuances concerned to the issue premiums;
- decides that the Board of Directors shall have full powers, with the option of sub-delegation, for the purpose of implementing this delegation, in particular establishing the characteristics of the marketable securities issued and, more generally, taking any measures and performing any formalities required for successfully concluding each capital increase, declaring the completion and making the required changes to the articles of association.

The delegation hereby granted to the Board of Directors remains valid for a period of eighteen months as from the date of this Meeting;

#### **FOURTEENTH RESOLUTION**

*Delegation of authority to be granted to the Board of Directors to proceed with a share capital increase reserved for employees of the Company and companies within its Group*

The Shareholders' Meeting, after reviewing the Board of Directors' report and after reading the Statutory Auditors' special report, and by applying the provisions of Article L. 225-129-6 of the French Commercial Code, authorizes the Board of Directors from this day forward and for a period of twenty-six (26) months, full powers to proceed at its sole discretion with one or more share capital increases in accordance with the provisions of Article L. 3332-18 *et seq.* of the French Labor Code, at the dates that it will determine, to a maximum aggregate nominal amount of forty thousand (40.000) euros reserved for members of a company savings plan via an employees' mutual fund (FCPE) (or any other members' plan for which Article L. 3332-18 of the French Labor Code would allow the reservation of a capital increase on equivalent terms) belonging to the Company and its Group companies within the meaning of Article L. 225-180 of the French Commercial Code, it being specified that this amount will be deducted from the global ceiling specified in 19<sup>th</sup> resolution of the Shareholders' Meeting of May 17<sup>th</sup>, 2018 ( "**Overall Ceiling I**") of the Shareholders' Meeting of May 17<sup>th</sup>, 2018.

The price will be determined pursuant to the law, in particular according to objective share price valuation methods. The subscription price can neither exceed the purchase price thus determined, nor be less than 20% thereof (30% if the period of unavailability under the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is at least 10 years); it being noted that the Board of Directors is entitled to reduce such discount if it deems appropriate, particularly in the event members of a company savings plan are offered securities on the international market and/or abroad in order to meet the requirements of applicable local legislation.

The Shareholders' Meeting hereby grants full authority to the Board of Directors, who may further delegate to the Chairman and CEO, within limits it specifies, to the CEO or Deputy CEO, to implement this delegation, and in particular to decide to increase capital pursuant to the above-mentioned conditions, to determine the terms, in particular setting the share issue price within the limits stipulated by law and this Shareholders' Meeting, to determine the dates of subscription opening and closing, and more generally to finalize all transactions contributing to this increase, and to amend the Bylaws accordingly.

The Shareholders' Meeting hereby acknowledges that this delegation invalidates any prior delegation having the same purpose.

#### **FIFTEENTH RESOLUTION**

*Cancellation of shareholders' preferential subscription rights in favor of employees of the Company and its Group's companies*

The Shareholders' Meeting, after reviewing the Board of Directors' report and after reading the Statutory Auditors' special report, decides to waive the preferential subscription rights of holders of ordinary shares or securities giving access to ordinary shares to be issued as part of the delegation under the 14<sup>th</sup> resolution above, in favor of members of a company savings plan via an employees' mutual fund (FCPE) (or any other members' plan for which the provisions of the Labor Code would allow the reservation of a capital increase on equivalent terms) of the Company and its Group companies within the meaning of Article L. 225-180 of the French Commercial Code.

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Any shareholder, irrespective of the number of shares that they hold, may participate in this Meeting.

If a shareholder does not attend the Meeting personally they may:

- either send the Company a proxy form without specifying a representative;
- or give a proxy form to another shareholder or to their spouse or partner in a civil solidarity agreement (Company Bylaws do not currently allow the option of being represented by any other natural person or legal entity of one's choice);
- or use and send the Company a postal voting form;

However, pursuant to regulatory provisions, the right to attend the Meeting, vote by post, or be represented, is subject to shareholders proving they are shareholders of record as evidenced by registration of securities in their name (or in the name of an intermediary registered on their behalf) by midnight (Paris time) on the second working day prior to the Shareholders' Meeting:

- For holders of registered shares: by registering the shares in the Company's registered shares register;
- For holders of bearer shares: by filing at the Company's registered office a certificate of participation issued by an intermediary authorized to record the registration of securities, appended to the voting form or proxy form or to the admission card request.

A single postal voting form and proxy form will be made available to shareholders at the Company's registered office, or may be requested by registered letter with acknowledgment of receipt once the Meeting has been convened.

Any request received no later than six days before the date of the Meeting will be granted.

Postal votes will not be taken into account unless the duly completed and signed forms reach the Company's registered office at least three days prior to the Meeting.

Any shareholder who has already voted by post, sent a proxy form, requested their admission card or certificate of participation, will no longer be able to choose another method of participation in the Meeting.

Requests to enter items or draft resolutions on the agenda for the Shareholders' Meeting submitted by shareholders who fulfill the legal conditions must be sent to the Company via registered letter with acknowledgment of receipt, for the attention of Denys Sournac, as from the publication of this notice and up to 25 days before the Meeting is held. This request must be accompanied by the wording of the draft resolutions, and potentially by a brief explanation of the reasons, as well as by an account registration certificate proving that the shareholder holds the minimum share capital required.



Furthermore, we would remind you that the review by the Shareholders' Meeting of the items or resolutions that will be presented is conditional on the forwarding by the interested parties of a new certificate proving the registration of their securities on an account under the same conditions as those specified above, at the latest by midnight, Paris time, on the 2<sup>nd</sup> business day prior to the Shareholders' Meeting.

Any shareholder may ask the Company written questions in accordance with Article R. 225-84 of the French Commercial Code, as from this publication. These questions must be sent to the Company via registered letter with acknowledgment of receipt, for the attention of Denys Sournac, Chairman and Chief Executive Officer, at the latest by the 4<sup>th</sup> business day prior to the date of the Shareholders' Meeting. They must be accompanied by a certificate of registration either in the registered accounts held by the Company, or in the bearer securities accounts held by the authorized intermediary.

No provision is made for electronic voting at this Meeting, and therefore no site referred to under Article R. 225-61 of the French Commercial Code has been equipped for this purpose.

In accordance with the law, any documents that must be disclosed to Shareholders' Meetings will be made available to the shareholders at the registered office, or on the Company's website, [www.medicrea.com](http://www.medicrea.com), or forwarded following a request sent to the Company within the legal timeframes.

Board of Directors