

ADVICENNE

French limited company (*société anonyme*) with share capital of 1,277,413 euros
Registered office: 2, rue Briçonnet, 30000 Nîmes
497 587 089 R.C.S. Nîmes

RULES OF PROCEDURE

OF THE BOARD OF DIRECTORS

Following deliberations dated 29 September 2017, the Board of Directors (the "Board") of ADVICENNE (the "Company") decided to amend its rules of procedure dated 11 June 2011. These rules cancel and replace the previous rules as from the date of the first listing of the Company's shares on the Euronext regulated market in Paris.

I. PURPOSE OF THE RULES OF PROCEDURE

The purpose of these Rules of Procedure is to define the Board's operating rules in addition to the provisions of law and of the Company's articles of association.

They are also a reminder of the obligations of Board members.

They are binding on all members of the Board with regard to their activity on the Board as well as on the standing committees created at the Board's initiative. The resulting obligations apply to both the permanent representative of a legal entity and to natural persons.

In order to comply with the requirements of Article L. 225-37-4 of the French Commercial Code, the Board selected the corporate governance code as published in September 2016 by MiddleNext (the "MiddleNext Code") as the reference code to which it intends to refer as from the date of the first listing of the Company's shares on the Euronext regulated market in Paris.

II ROLE OF THE BOARD OF DIRECTORS

The Board is subject to the provisions of the French Commercial Code, to Articles 11 to 13 of the Company's Articles of Association, and to these rules of procedure.

In particular, the Board:

- determines the Company's overall business strategy and activity, and oversees its implementation. Subject to the powers expressly granted to General Meetings of Shareholders and within the limits of the Company's corporate purpose, the Board addresses all matters pertaining to the proper management of the Company and settle all items of business relating thereto;
- appoints the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executives, and sets their compensation;
- authorises the agreements and commitments referred to in Articles L. 225-38 and L. 225-

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42-1 of the French Commercial Code;

- proposes the appointment of statutory auditors to the General Meeting of Shareholders;
- approves the Chairman of the Board's report on corporate governance and internal control; and
- establishes the draft resolutions referred to in Article L. 225-37-2 of the French Commercial Code and the report pertaining thereto.

It ensures the quality of the information provided to shareholders and markets.

III. COMPOSITION OF THE BOARD OF DIRECTORS

The Board comprises at least three members, two of whom must, when possible, be independent members within the meaning of the MiddleNext Code.

Persons deemed to be independent members of the Board are members who have no financial, contractual, family or significantly close ties with the Company, its group or its management that could compromise the exercise of their freedom of judgement.

The independence of Board members must be reviewed by the Board based on the following criteria set out in the Code of Governance, namely that the person in question:

- is neither an employee nor corporate officer of the Company itself or of any one of the companies belonging to its group, and has not been for the past five years;
- has not been, for the past two years, and is not currently involved in any significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);
- is not a majority shareholder of the Company or does not hold a significant percentage of voting rights;
- does not have a close relationship or family tie with any of the corporate officers or majority shareholders; and
- has not, for the past six years, acted as a Statutory Auditor of the Company.

Additionally, at least one of the independent members must possess specific competencies in finance or accounting so that he or she may be appointed to the Audit Committee.

It is the duty of the Board to review, case by case, the position of each of its members with regard to the above-listed criteria. The Board may consider that one of its members, despite meeting the independence criteria, should not be qualified as independent given their specific position or that of the Company in view of their shareholding or for any other reason. Conversely, the Board may consider that one of its members who does not meet these independence criteria is nonetheless independent.

Each year, preferably at the first Board meeting following the end of the Company's financial year, the Board will review the position of each of its members with regard to the criteria set out above.

To this end, each director must submit a declaration of interests to the Board, which shall be updated each year.

Each member qualified as independent shall inform the Chairman of the Board, as soon as they are aware, of any change to their position that may jeopardise their independent status.

Before each appointment of new members, the Board shall review the position of the candidates with respect to the independence criteria and their areas of competence in order to assess their suitability for the Board's missions and their complementarity with the competencies of other Board members.

The Board elects a Chairman, who issues agendas taking into account the proposals made by the other directors, organises and moderates discussions at Board meetings, and ensures the proper functioning of the Board.

In accordance with the provisions of Article 15 of the Articles of Association, the Ordinary General Meeting may, on a proposal from the Board, appoint one or more non-voting members. The Board may also appoint non-voting members directly, subject to ratification at the subsequent General Meeting of Shareholders. Non-voting members, of whom there may be no more than three, form a panel. They are selected solely on the basis of their skills and expertise. They are appointed for a three-year term, which expires at the close of the Ordinary General Meeting of Shareholders called to approve the financial statements for the previous financial year.

The panel of non-voting members examines matters referred to it for opinion by the Board of Directors or its Chairman. Non-voting members attend Board meetings and take part in discussions in an advisory capacity only; all decisions taken in their absence are fully valid. They receive notices of Board meetings in the same way as other Board members.

Non-voting members are bound by the same duties and obligations as Board members (cf. Section IV of these rules of procedure).

IV. OBLIGATIONS OF BOARD MEMBERS

General Obligations

Each member of the Board is required, in particular, to read and comply with these rules of procedure, the Company's Articles of Association and the legal and regulatory texts governing French public limited companies, and in particular:

- the rules governing companies whose securities are admitted to trading on a regulated market;
- the rules limiting the number of multiple directorships;
- the rules relating to agreements and transactions entered into directly or indirectly between a member of the Board and the Company;
- the rules subject to the Board's authorisation and to performance conditions in order to grant to the Chief Executive Officer and, as the case may be, to the Deputy Chief Executive Officers, any benefit of any kind corresponding to remuneration, indemnities or benefits due or likely to be due as a result of, or subsequent to, the assumption, termination or change of duties, whether or not such benefits result from an employment contract and whether or not they are granted by the Company itself or by any controlled or controlling company.

Board Members's Duty of Confidentiality

Board members are bound by an absolute obligation of confidentiality as to the content of Board meeting discussions and deliberations and, as the case may be, of its committees, as well as with regard to the information presented therein. As a general rule, Board members, with the exception of the Chairman and the Chief Executive Officer, are required not to communicate externally in their capacity as such, particularly with regard to the press.

In the event of a proven breach of confidentiality by any Board member, the Chairman shall report to the Board on the action he or she intends to take in response to said breach.

Obligation of Loyalty

The obligation of loyalty requires that Board members should under no circumstances act in their own interests against those of the Company.

In a situation where a conflict of interest appears or may appear between the corporate interest and their personal, direct or indirect interest or the interest of the shareholder or group of shareholders they represent, members of the Board concerned must inform the Board as soon as they become aware of it and make a statement accordingly regarding the exercise of their position and, in particular, their participation in the Board's proceedings. Thus, as the case may be, he or she shall:

- either abstain from taking part in the vote on the deliberation concerned; or
- not attend the Board meeting at which his or her conflict of interest is an issue; or
- in extreme cases, resign from his or her position.

By failing to comply with these rules of abstention and withdrawal, the Board member may be liable.

All known conflicts of interest will be reviewed by the Board once a year. As the case may, all Board members shall report on any changes to their position by updating their declaration of interests.

Additionally, the Chairman of the Board shall not be bound to forward to members, whom he has good reason to believe are in a conflict of interest situation, information or documents pertaining to the subject of conflict, and shall inform the Board thereof.

Obligations of Disclosure

In order to prevent risks of conflicts of interest and enable the Board to deliver quality information to shareholders and to markets, each Board member is obliged to submit the following declarations to the Board:

- any situation, as soon as it arises, that reveals or may reveal a conflict of interest between the corporate interest and their direct or indirect personal interest or the interest of the shareholder or group of shareholders they represent;
- within a month from the end of the financial year, whenever he or she is paid, owed to or payable by a company controlled by the Company or by a company controlling the Company:
- any compensation, directors' fees and benefits of any kind, including in the form of allocations of equity securities or debt securities, securities giving access to the capital or options, paid or to be paid for the past financial year,

- making a distinction, as the case may be, between the fixed, variable and exceptional elements thereof, as well as the criteria according to which they were calculated or the circumstances by virtue of which they were established;
- any benefit of any kind corresponding to elements of compensation, indemnities or benefits due or likely to be due as a result of, or subsequent to, the assumption, termination or change of duties, whether or not such benefits result from an employment contract;
- any supplementary pension plan subscribed by the Company for their benefit;
- any office and function performed in any company during the financial year;
- with respect to the last five years, any office exercised outside the group controlled by the Company, any conviction for fraud, any incrimination and/or official sanction and, in particular, any impediment to acting as a member of the management or supervisory body of an issuer; and
- all the data needed by the Company to draw up a list of insiders.

Likewise, each Board member has the obligation to annually submit to the first Board meeting after the end of the Company's financial year, a declaration of conflicts of interest.

In addition, each member of the Board is required to report to the Company any acquisition, sale, subscription and/or exchange transaction pertaining to financial instruments issued by the Company or related financial instruments, whether carried out directly or through an intermediary.

Where applicable, each Board member undertakes to inform his/her lawful spouse, civil partner, dependent children or children usually living at home, family or other relations living in their home for at least one year and/or any legal entity that he/she manages, administers, runs or controls, that they are also bound by the same obligation.

However, transactions carried out by a legal entity on behalf of third parties, or where the cumulative amount of such transactions does not exceed 5,000 euros for the current calendar year, shall not be subject to notification. This threshold is calculated by aggregating all transactions carried out by an executive and transactions carried out by persons related to them.

When the cumulative amount of transactions during the calendar year exceeds 20,000 euros, the information must also be reported within three business days of the transaction to the French Financial Markets Authority ("AMF") via the ONDE extranet. The director concerned forwards a copy of this declaration to the Company respecting the same deadline.

Obligations to refrain from trading in the Company's shares during certain blackout periods

In accordance with the recommendation DOC-2016-08 from the French Financial Markets Authority entitled "*Guide de l'information permanente et de la gestion de l'information privilégiée*" (*Guide to Permanent Information and the Management of Inside Information*), Board members shall refrain from trading in the Company's shares (in particular exercising stock options, selling shares, including shares resulting from the exercise of options or bonus share allocations, and purchasing shares):

- during the 30 calendar days preceding the issuance of a press release on the annual and half-yearly results; and
- as the case may be during the 15 calendar days preceding the publication of financial information or quarterly or interim financial statements.

A schedule for these blackout periods taking account of the dates of scheduled regular publications is available online on the Company's intranet. This schedule must be consulted prior to any trading.

Trading is only authorised on the day after the publication of the information concerned, provided that the person concerned does not hold any other inside information.

Obligations related to the holding of inside information - Prevention of insider trading and misconduct

As a general rule and when concerning non-public information acquired in the course of their duties, every Board member must consider themselves bound by real professional secrecy, which exceeds the simple obligation of discretion provided for in Article L. 225-37 of the French Commercial Code.

More precisely, through the performance of their duties, every director has regular access to specific, non-public information concerning, directly or indirectly, the Company or the financial instruments it issues, which, if made public, would likely have a material impact on the price of the financial instruments concerned or on the price of related derivative financial instruments.

In this respect, each Board member is registered on the list of insiders drawn up by the Company and made available to the AMF.

Whenever they hold such information, all Board members must refrain:

- from carrying out or attempting to carry out insider transactions, more specifically:
 - o by acquiring or selling, for their own account or on behalf of a third party, directly or indirectly, financial instruments to which this information relates, or
 - o by cancelling or changing orders placed earlier for the financial instruments to which this information relates;
- from illicitly disclosing this information, i.e. disclosing said information to another person outside the usual framework of their work, profession or duties; and
- from recommending to another person to engage in insider trading or from encouraging another person to engage in insider trading; in particular
 - o by recommending, on the basis of this information, that another person acquire or dispose of financial instruments to which said information relates, or by encouraging that person to make such an acquisition or disposal, or
 - o by recommending, on the basis of this information, that another person cancel or change an order relating to a financial instrument to which this information relates, or by encouraging that person to make such a cancellation or change; and
- from using a recommendation or inducement, referred to in the previous paragraph, whenever the member knows, or should know, that such a move is grounded in insider information.

In the event that share subscription warrants or any other right or instrument giving access to the Company's share capital are granted to a member of the Board, he or she must comply with the exercise periods and procedures set by the Board at the time of the allocation.

Obligations relative to the holding of financial instruments issued by the Company

Members of the Board are not required to hold shares in the Company.

All Board members undertake to have registered the shares they and their children under the age of majority or their separated spouse hold in the Company, in the parent company and in its subsidiaries.

Should Board members be granted share subscription warrants or any other right or instrument giving access to the Company's share capital, they are prohibited from resorting to any form of risk hedging transaction. They undertake to respect any share retention obligations accompanying said allocations.

Obligation of diligence and assiduity

Every Board member must devote the necessary time and diligence to their duties.

They therefore undertake to be assiduous and employ their best endeavours to:

- attend in person, or as the case may be by video-conference or telecommunication facilities, every meeting held by the Board and/or the committees of which they are a member; and
- attend all General Meetings of Shareholders.

Board members holding an executive directorship must not accept more than two other offices as director or supervisory board member in other listed companies, including foreign companies, outside the group.

Obligations of non-competition

Giving priority to the Company's interest over their personal interest constrains every Board member to an obligation of non-competition. Throughout the term of their office, every Board member shall refrain from carrying out any duty whatsoever in a firm that is a competitor to the Company or the group. A competing company is deemed to be one with the same market target as the Company, in this case renal tubulopathy or epilepsy. Should they assume a new office, they shall inform the Company.

Obligation and right of information

To effectively participate in the work and deliberations of the Board, all Board members are sent the documents that they deem useful. Requests to this effect are made to the Chairman or, as the case may be, to any executive of the Company (Chief Executive Officer or Deputy Chief Executive Officer). All Board members must ensure that they have received in good time all the necessary information dealing with the topics that will be discussed at Board meetings.

All Board members are authorised to meet with the senior executives of the Company, provided that they inform the Chairman of the Board of Directors and the Chief Executive Officer in advance.

The Board is regularly informed by the Chief Executive Officer of the financial position, cash position, financial commitments and significant events of the Company and of the group.

Finally, any new Board member may ask to follow training schemes focusing on the specifics of the Company and of its group, their lines of business and business sectors.

V. BOARD MEETINGS

Frequency

The Board convenes as often as required by the interests of the Company and in any event at least four (4) times a year.

Venue of Meetings

Meetings shall be held at any venue as indicated in the convening notice.

Term

Any one director may be represented by another director at a given meeting. The proxy, forwarded in writing, may be valid when sent as a simple email. Each director may hold one proxy only for one and the same meeting.

Convening and right of prior information

Board members are convened by any means, even verbally.

All the documents or draft documents of a nature to inform them of the agenda and of every topic to be presented to and reviewed by the Board are sent, submitted or made available to Board members within a reasonable period of time prior to the meeting. This period of time must be at least three business days, except in cases of emergency or necessity to ensure total confidentiality, in order to enable Board members to effectively exercise their duties of control and vigilance.

Evaluation - Review of the points of vigilance of the MiddleNext Code

Once a year, the Board shall review its operating procedures and, at least every three years, shall carry out a formal evaluation with the assistance, if necessary, of an external consultant.

The purpose of this evaluation is, additionally, to verify that important issues are properly prepared and discussed, and to gauge the contribution of each member to the work of the Board, in particular with regard to his or her competence and involvement.

Each year the Board will also move to review the points of vigilance of the MiddleNext Code. Findings will be given in the report on the Company's internal control and governance and/or in the registration document, if it exists.

Use of video-conference or telecommunication facilities

Board members may participate in a Board meeting by way of video-conference facilities or, failing that, via telecommunication. They are then deemed in attendance for calculating the quorum and majority.

This form of participation does not apply when adopting decisions whose purpose is the closing of the year's financial statements, including consolidated financial statements, and the preparation of the Company's and group's management report.

The facilities used must provide for the identification of participants and serve as an effective guarantee of participation.

The minutes of the meeting will mention the participation of Board members via video-conference facilities or telecommunication.

VI. COMPENSATION

Each member of the Board may receive directors' fees, the amount of which is voted by the ordinary general meeting and the allocation of which is decided by the Board, taking into account in particular the attendance rate of members and the time they devote to their duties, including, where applicable, on committees set up by the Board.

The terms and conditions for setting directors' fees will be defined by the Board.

Any compensation of the Chairman shall be set by the Board, after consulting the Appointments and Compensation Committee.

Members of the Board may also be compensated for any special assignments granted to them by the Board, in addition to their usual duties on the Board of Directors.

VII. COMMITTEES

The Board may set up committees, determining the members and attributions thereof, as often as required by the interests of the Company. The conditions for setting up and selecting members of the Audit Committee are, however, legislatively set.

The Board's standing committees are as follows:

- the Audit Committee; and
- the Appointments and Compensation Committee.

Each committee has a role to study, analyse and prepare certain deliberations of the Board within its field of competence, and also study topics and/or projects that the Board or Chairman refers to them for review. It has an advisory power and acts under the authority of the Board to which it reports.

The Board selects the members and the attributions of each committee. It may decide to change the members thereof at any time. The Board of Directors may not delegate any of its responsibilities to any committee whatsoever, the role of which is always purely advisory.

Each committee appoints a chairman, meets when convened by its chairman, and determines the frequency of its meetings. Meetings are held at the Company's registered office or at any other venue decided by the chairman of the committee concerned.

Each committee establishes its rules of procedure, which are approved by the Board.

VIII. FORMS OF PROTECTION FOR EXECUTIVES HOLDING A CORPORATE OFFICE

On behalf and for the benefit of senior executives holding a corporate office, the Company has taken out insurance for the civil liability of corporate officers (RCMS).

IX. SUCCESSION PLAN FOR "EXECUTIVES" AND KEY PERSONS

The Board or a specialised committee regularly includes on its work agenda the question of the succession of current executives and potentially a certain number of key persons.

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X. AMENDMENTS TO AND PUBLICITY OF THE RULES OF PROCEDURE

The present Rules of Procedure may be amended by a decision of the Board.

Any new Board member will be requested to sign these rules the moment they take up their duties.

All or part of the Rules of Procedure shall be made public and be available on the Company's website.

